PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2009–2010

COMPRISING PERIOD
18 January 2010—29 January 2010

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 504**

FOURTH VOLUME OF SESSION 2009-2010

House of Commons

Monday 18 January 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Premier League 4 Sport

2. **Mr. Bill Olner** (Nuneaton) (Lab): How many premier league 4 sport partnerships have been established; and what assessment he has made of their effectiveness. [310888]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): There are 20 premier league 4 sport partnerships, which have led to 240 clubs being set up in schools, with associations to 75 community hub clubs. Data on the number of young people who took part in a premier league 4 sport session during its first term will be available by the end of this month.

Mr. Olner: I thank my hon. Friend for that answer and congratulate the premier league 4 sport partnerships, but how do schools manage to connect with the programme? We have a sporting college in my constituency, but I wonder how readily schools and other organisations know how to start a partnership with that excellent scheme.

Mr. Sutcliffe: I am grateful to my hon. Friend for raising the issue. I know that he does a lot of work on sport in his constituency and that he has excellent sports colleges in his constituency. The idea behind the programme is that the premier league, with all the power of its branding, can work with schools to give youngsters tasters in some of the sports in which they would not normally be involved, including Olympic and Paralympic sports such as badminton, volleyball, table tennis and judo.

Product Placement

3. **Mr. Lindsay Hoyle** (Chorley) (Lab): What recent representations he has received on product placement in UK-made television programmes. [310889]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Siôn Simon): Around 1,400 responses have been received to the Department's consultation on this subject.

Mr. Hoyle: I am sure that my hon. Friend would agree that product placement is needed. Indeed, there is cross-party support for product placement, which provides an important revenue stream to ensure that we can have political programmes in our regions. However, would he agree that we need a European standard, because at the moment, we have children watching films from America that are uncensored in any way for product placement?

Mr. Simon: My hon. Friend makes his point outstandingly well and in his inimitable fashion. We are currently at a competitive disadvantage compared with other European nations and other English-speaking countries—

Mr. Edward Vaizey (Wantage) (Con): America.

Mr. Simon: Indeed. The hon. Gentleman wisely helps me along from the Opposition Front Bench. However, many of the consultation responses are about ensuring that we put in place the right safeguards to protect children, in both the programming and the product categories that we allow.

Christopher Fraser (South-West Norfolk) (Con): The British Medical Association has said of product placement:

"Studies show that children are particularly susceptible to embedded brand messages and these operate at a subconscious level."

We still await the Government's response to the review launched last November, but can the Minister clarify what safeguards have been considered in the event of the status quo being retained?

Mr. Simon: The consultation, which closed a couple of weeks ago, mainly concerned itself with the programme categories that might be excluded—children's programming is already excluded under the European directive—but it also looked at whether we should include family entertainment or other programming that children might watch, even though it might not be aimed at them, and whether we should include product categories, such as alcohol or foods that are high in fat, sugar or salt.

Competitive Sports (Schools)

4. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): What recent steps he has taken to encourage children to undertake competitive sports in school. [310890]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): There has been a steady rise in the number of young people taking up competitive sport since 2003, thanks to the large investment in both schools sport in general and competitive sport in particular, so that, for example, 100 per cent. of primary schools and 98 per cent. of secondary schools held sports days in the past academic year.

Mr. Vara: I am grateful to the Secretary of State for that response, but notwithstanding his comments, a recent report by the British Heart Foundation found that more than 1.5 million children are either overweight or obese. Given that, how do the Government propose to deal with the fact that less than a fifth of pupils in years 3 to 13 regularly take part in active sport between schools?

Mr. Bradshaw: That is not strictly the case. If the hon. Gentleman looks closely at the figures, instead of the rather tendentious coverage of them given by one or two newspapers, he will find that whereas only one in four children did at least two hours of high-quality PE and sport each week in 2002, more than 90 per cent. of children do so now. When it comes to competitive sport between schools, 69 per cent. of pupils were involved in competitive sports within schools, on top of their regular PE, and 44 per cent. of schools were involved in inter-school activities. Each of those figures is higher than the year before, and each figure for the year before was higher than the year before that. There has been a year-on-year increase. However, I have to tell the hon. Gentleman that the way to get school and pupil activity up is by continuing to invest in this area, which is something that his party is not committed to doing.

Fiona Mactaggart (Slough) (Lab): Will my right hon. Friend take this opportunity to join me in congratulating Iqbal Singh Bola, a British gold medallist in taekwondo who has lived in Slough since he was born in 1989? He provides an inspiration for other young people in sport. Will my right hon. Friend urge communities to recognise the contribution that excellence and winning in sport can make to fostering aspiration among young people?

Mr. Bradshaw: Yes, I gladly congratulate my hon. Friend's constituent. She makes a good point, because she has named a sport mentioned by some who are critical of the broad range of sports and physical activities now offered to children in schools. Not only traditional sports but less traditional ones are being offered, which means that some children who would not otherwise have become physically active or involved in sport are now doing so, like her constituent.

David Tredinnick (Bosworth) (Con): Will the Minister then support the Conservative initiative for a schools Olympics? Does it not fit in with his policy, and would it not be another way to improve health care?

Mr. Bradshaw: We already have what I would call two schools Olympics. They are the UK School Games, which give elite athletes from our schools a chance to compete annually, and National School Sport week, which involves every school in the country competing. I do not know what would be new about the Conservatives' idea except that they would have a major row with the London Organising Committee of the Olympic Games and Paralympic Games for copyright reasons if they tried to use the Olympics name.

Sport (Integrity and Reputation)

5. **John Robertson** (Glasgow, North-West) (Lab): What recent assessment he has made of the effectiveness of his Department's measures to protect the integrity and reputation of sport. [310891]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): It is the responsibility of sport's national governing bodies to run their sports in a way that protects their integrity and reputation. Government will assist where appropriate and where it is necessary to safeguard those involved, not least participants and spectators. Recent measures include setting up the anti-doping agency to tackle the traffic and supply of doping substances and commissioning an independent report on sports betting integrity.

John Robertson: I thank my hon. Friend for his answer, but he will be aware of what effect internet gambling could have on sport in years to come. The Government have set up the Sports Betting Integrity Panel. When can we expect its report so that we can find out exactly what is going on and protect the integrity of sportsmen and women?

Mr. Sutcliffe: I am grateful to my hon. Friend for raising that point. I know that he is keen on sport and the integrity of sportsmen and women. We are dealing

with the issue in a particular way because we want to ensure that those people who participate in sport know the dangers of betting issues. I commissioned a report by Rick Parry, which I hope will be delivered soon. There are issues relating to the work of the Gambling Commission to be ironed out, but we expect the panel's report very soon. I think that most sport is clean, but the panel will set about ensuring that people who participate know the rules and the penalties if they do not operate properly and that sports have the right rules for dealing with integrity issues.

Philip Davies (Shipley) (Con): Given that bookmakers are usually the victims when there is any such cheating in sport, and given that the Government are trying to extricate themselves from a levy on horse racing, does the Minister agree that it would be completely wrong to have a sports levy?

Mr. Sutcliffe: The hon. Gentleman has been involved with such issues for some time; indeed, as a member of the Select Committee on Culture, Media and Sport, he has taken evidence on them. There must be a fair return to sport, and I am keen to ensure that. I would prefer it to be through a voluntary arrangement, but we must ensure that where the Government are involved—he is right that we want to extricate ourselves from the levy, but that is proving more difficult than we thought it might—there needs to be a balance between racing and betting. I hope that both parties can work together.

BBC

6. **Natascha Engel** (North-East Derbyshire) (Lab): If he will take steps to maintain the financial independence of the BBC. [310892]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): The financial independence of the BBC helps guarantee its editorial independence and, until recently, has been respected by all parties. The Labour party will do all that it can to ensure that financial and editorial independence are maintained and defended.

Natascha Engel: I thank my right hon. Friend for that answer. I am grateful that he has put on record our strong support for the BBC's independence, and I hope that he shares my concern that the constant threat to BBC funding from Opposition parties serves only to undermine the BBC's editorial independence and creative output.

Mr. Bradshaw: I agree entirely. It would be helpful if my Conservative opposite number would take this opportunity to clarify his party's policies, as it is not at all clear whether the Conservatives support the licence fee or, as Greg Dyke does—he chairs their media group but has not yet reported, rather to our surprise—funding by taxation.

Mr. Speaker: Order. May I say gently to the Secretary of State that I know that he will not want to dilate on Opposition policy, or indeed expect Opposition Members to do so? He will have more than enough to say about Government policy.

Mr. Don Foster (Bath) (LD): Although, as the hon. Member for North-East Derbyshire (Natascha Engel) rightly pointed out, the Conservatives threaten the independence of the BBC, does the Secretary of State not accept that he and his party are just as guilty? Does not top-slicing mean that the BBC will constantly have to look over its shoulder to ensure that it does not offend the Government of the day, for fear that the top-slicing will be made even bigger, as happened in Ireland, for example? How does top-slicing defend the independence of the BBC?

Mr. Bradshaw: The hon. Gentleman knows very well that there is nothing in the charter that obviates the use of a fraction of the licence fee to help to fund digital switchover, as we are already doing. What would threaten the independence of the BBC would be to fund it through general taxation, which at least some of the Conservatives seem to be proposing. I do not believe that the public would want that, because they value the independence of the BBC very highly, and they would be worried by the prospect of a taxation-funded BBC, given the liability of Governments to interfere, editorially and financially.

Television Licence Fee

7. **Mr. Nigel Evans** (Ribble Valley) (Con): What recent representations he has received on the level of the television licence fee. [310893]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): I regularly receive representations on the licence fee, but, for the reasons that we have just been discussing, we believe that it is an important guarantee of the BBC's independence, and that Governments should therefore respect the multi-annual nature of the license fee agreement.

Mr. Evans: Well, here is another representation. Forty-nine executives at the BBC earn more than the Prime Minister. That means that the licence fee payments of all the constituents of Ribble Valley and neighbouring Chorley go on their salaries alone. If that were happening in any other institution, the "Today" programme would have done a hatchet job on it by now. Can we have a freeze on the licence fee until Auntie sorts herself out?

Mr. Bradshaw: The hon. Gentleman needs to speak to those on his own Front Bench. That is indeed what they advocated last year, but their position changed in October. It changed again in November, and it has now changed back to the original one—[Hon. Members: "What is your policy?"] Our policy is as I have stated. There has been consensus on both sides of the House for decades that an important guarantor of the BBC's independence is that Governments do not interfere with or—as some in the hon. Gentleman's party have advocated—tear up the multi-annual licence fee agreement. If we were to go down that road, we would be threatening the very independence of the BBC. That is an important matter for the British people, because they value the BBC's independence, which would be threatened by his party's policies.

Mr. John Grogan (Selby) (Lab): Does my right hon. Friend agree that, in any assessment of the level of the licence fee, it is well worth taking into account the

recent report by Deloitte, which observed that the licence fee generated £7.2 billion, which is twice its value in terms of the BBC's support of the independent sector and the wider creative economy?

Mr. Bradshaw: I agree with my hon. Friend. We can all make criticisms of individual decisions that the BBC may or may not have taken, but the licence fee costs about the equivalent of a pint of beer a week. It costs considerably less than the licence fee for German television, which carries adverts. Anyone who has ever suffered German television will agree with me that the BBC is far better, and delivers far better value for money than many of its competitors abroad.

National Lottery

8. **Mr. Hugo Swire** (East Devon) (Con): What proportion of national lottery income has been spent on heritage in each of the last three years? [310894]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): Since 1997, the national lottery has raised more than £3.3 billion for the heritage sector. The Heritage Lottery Fund spent almost £1 billion of lottery money in the last three years, equivalent to 26.2 per cent., 21.3 per cent. and 22.3 per cent. of total lottery income during those years.

Mr. Swire: That is all very well, but the Minister knows full well that, in 2008-09, the Heritage Lottery Fund distributed £88 million less than in 2005-06. One of the reasons for that, as she knows equally well, is that, consistently over the years, the Government have raided more than £3 billion to shore up their own pet projects. Is it not time, in the dying days of this Government, for them to support the Conservative policy of having a new national lottery independence Bill, which would stop the Government sticking their sticky fingers into lottery funds?

Margaret Hodge: It may be "all very well", but it is actually true that the percentage of the lottery fund that went to heritage during the three years that the hon. Gentleman asked about exceeds the percentage that the Conservatives would give under their proposals. The way in which we currently administer the lottery fund is in the interests of the country. Were the Conservative party's proposals to be put in place, investments in community libraries and other good causes would go. Furthermore, the money that goes to heritage is only partly funded through the lottery fund. More than £660 million comes directly from my Department, and £130 million comes from the Big Lottery Fund. Under the Conservative party's proposals, those amounts would be—

Mr. Speaker: Order. We have got the drift. That is very helpful, thank you.

Ms Dari Taylor (Stockton, South) (Lab): Does my right hon. Friend know that the university of Sunderland is exhibiting its glass in the Upper Waiting Hall? I hope that the ministerial team will visit the exhibition and congratulate the university on it. In what way is her Department supporting the brilliant work that is being done by universities such as Sunderland? It is internationally renowned and now, through the national lottery, has accepted responsibility for the National Glass Centre.

Margaret Hodge: I will indeed to try to visit the exhibition by the university of Sunderland. Many of our universities have excellent museums, and I consider at regular intervals how they are to be funded and sustained to ensure that we maintain the excellence that many of those university museums promote.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): As well as the consternation felt about the cut in the amount of lottery income going to heritage and at the absence of the draft Heritage Protection Bill, is the Minister aware of the consternation in the heritage sector at the original draft of planning policy statement 15, which the Royal Town Planning Institute called

"a charter for people who want to knock buildings down"?

Can she confirm that she is talking to the Department for Communities and Local Government to ensure that the redraft offers historic buildings in this country the protection they need?

Margaret Hodge: I am indeed in constant conversation with my colleagues in the Department for Communities and Local Government about their review of such planning guidance. I hope shortly to bring forward a statement—a cross-Government statement—about the importance of heritage. I agree with the hon. Gentleman that we should try to reintroduce the lost Bill as soon as we possibly can, because it is an important Bill that would demonstrate our commitment to heritage. Until that comes about, however, I hope that my statement about the value of heritage and the work I do with colleagues across Government will reassure the heritage sector that we value its contributions.

Mr. Edward Vaizey (Wantage) (Con): As well as cutting the funding to heritage, does the Minister take note of the report of the Public Accounts Committee, which pointed out that the Department's targets for broadening the audience were unrealistic, obsolete and set without clear evidence, and that free education visits to heritage sites had fallen by 20 per cent.? Is that not another damning indictment of her Department's heritage policy?

Margaret Hodge: At a recent speech, the hon. Member for South-West Surrey (Mr. Hunt) quoted Harold Pinter as saying

"as important as what is said, is that which is left unsaid".

I urge the hon. Member for Wantage (Mr. Vaizey) to have regard to those words when he sets his questions. The PAC report was not about the heritage sector as a whole; it was about English Heritage. English Heritage contributes to the targets we set across the heritage sector as a whole. Those targets are important, because we want to see who participates and enjoys the vast array of heritage on offer in this country. We will continue with those targets, although we will have regard to the PAC recommendations on other matters that pertain to English Heritage alone.

Channel 4

9. **David Cairns** (Inverclyde) (Lab): What progress his Department has made on the implementation of the initiative contained in the Digital Britain report to give Channel 4 a new public service remit. [310895]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Siôn Simon): A new remit for Channel 4 is being agreed as part of the Digital Economy Bill, which is currently in the other place. Its remit will be extended particularly to cover digital aspects, older children and young adults, as well as to the making and distribution of British films.

David Cairns: I thank my hon. Friend for that answer. Does he agree with me that Channel 4 has made a magnificent contribution to public service broadcasting in this country for well over a quarter of a century? Will he take this opportunity to dismiss any advice to the contrary that he may be receiving and today rule out the privatisation of Channel 4?

Mr. Simon: I am very happy to agree that Channel 4 is overshadowed in its contribution to public service broadcasting only by the BBC. It is an outstanding institution—one that needs to continue to deliver public service in the public sector. The recent proposals by Policy Exchange, the Conservatives' favourite think-tank, to privatise Channel 4 are, I agree with my hon. Friend, as absurd as their creative industries taskforce's idea to get rid of the BBC licence fee.

Museums and Galleries (Admission)

10. **Shona McIsaac** (Cleethorpes) (Lab): When his Department plans next to review its policy on free admission to national museums and galleries. [310896]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): The free admissions policy continues to be immensely successful. Visits to museums that previously charged have risen from 7.2 million when we first introduced the policy in 2001 to 16 million in 2008-09—an increase of 124 per cent. My Department, unlike the Conservative party, remains fully committed to maintaining free admission to all our national museums.

Shona McIsaac: I totally agree with my right hon. Friend about the success of the policy of free admissions to galleries in London, but I would like a little of that generosity to flow out from London to support many of our regional galleries, particularly the national Fishing Heritage Centre in Grimsby, whose opening hours, I am sorry to say, the local Lib-Dem council is going to cut.

Hon. Members: Shame!

Margaret Hodge: While I cannot account for the shameful actions of that Liberal Democrat council, I can assure my hon. Friend that there are museums outside London that also benefit from this policy, such as the national museums in Liverpool, which have had a 279 per cent. increase in visitor numbers, and the Manchester museum of science and industry, where there has been a 158 per cent. increase in attendance.

Mr. Jeremy Hunt (South-West Surrey) (Con): Like the Government, I am very happy to confirm that we fully support the policy of free admission to museums. Unlike the Government, however, we are prepared to be much more honest about the financial challenges ahead. Last week, the Secretary of State told the RSA that he was confident that he would be able to sustain funding for the arts and culture, yet at the same time he has cut funding for the Tate, the Science museum, the national museums of Liverpool, and the Wallace collection. So should the arts world believe what the Government say, or what they do?

Margaret Hodge: First, I hope that you, Mr. Speaker, will allow me to draw attention to the apparent split in the Conservative party between the Front-Bench spokesperson and the Mayor of London, who consistently says publicly what some Opposition Front-Bench Members say privately about the policy of free admissions. May I also invite the hon. Gentleman to write to me with the details of these alleged cuts, because what I see from all the figures in front of me is that we have recently been able to find additional resources to enable the Tate to go forward with its further development, and that all other museums have enjoyed an increase in this comprehensive spending review?

Mr. Hunt: I would be happy to do so, and also to send the Minister details of a leaked Treasury document saying that non-ring-fenced Departments would face funding cuts of 17 per cent. in order to meet Government spending requirements. We have announced policies to help the arts get through this difficult period, such as reforming the lottery, boosting philanthropy and cutting arts administration. Those are our policies; what are the Government's?

Margaret Hodge: The hon. Gentleman's policies are akin simply to moving the deckchairs on the Titanic. Cutting the lottery fund from many of the very good causes to which it currently contributes in order to substitute for Government funding is no answer. Let me also say to him that we have yet to enter into discussions about the next comprehensive spending review, but he will be aware that we on this team secured a very good settlement last time, although there were cuts across Government. I have no doubt that we can in future persuade our colleagues about the importance of investment in arts and culture from the taxpayer, not through the lottery.

Holiday Lettings (Taxation)

13. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): What recent discussions he has had with the Chancellor of the Exchequer on the effects on the tourism industry of changes in taxation of furnished holiday lettings. [310899]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): I met my right hon. Friend the Financial Secretary to the Treasury in December to discuss the tourism industry's concerns about the potential impact of the rule changes on the self-catering sector. I also helped to convene a meeting in December between representatives of the Tourism Alliance, the Financial Secretary and Treasury officials.

Mr. Goodwill: Well, I actually managed to speak to the Chancellor about this before Christmas in one of the Division Lobbies, when I told him how angry farmers in the north Yorkshire moors area are that some of their diversification projects have been holed below the waterline by these changes. If only 10 per cent. of the jobs in this sector go, that will amount to 2,400 jobs. Is it beyond the bounds of possibility to think of a way to

give an exemption to genuine businesses, and not to throw the net around those private people who have holiday cottages, who were previously getting this exemption?

Margaret Hodge: I would be delighted to hear from the hon. Gentleman if he has ideas as to how we can ensure that we implement this change, which is required because of European legislation, in a way that does not damage the particular sector that he mentions. I have been in constant discussion with people in the sector. They have put forward three proposals so far, none of which actually work—we have examined them in detail. If he or any other Conservative Member has any practical proposals to make that would enable us to meet our EU obligations and benefit the sector, I would be more than happy to listen to those and take them forward.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I am afraid that this is yet another example of tourism being pushed to the back of the queue by this Government. The tourism industry is right to ask, "What have this Government done for us?" The tourism budget has been slashed, the sea change funding has all but dried up, the responsibility for English tourism has been thrown into confusion by the introduction of regional development agencies, nothing has been done to harness the opportunities provided by the Olympics, and now there has been a raid by the Treasury on furnished holiday lets. So I ask the Minister: what have this Government done for tourism? The Romans can at least point to the aqueducts and the roads. Let us hear from her how the industry is going to be helped.

Margaret Hodge: The Government invest some £2 billion in support of our tourism industry, and the Conservatives, with their plans to cut public spending before we are properly out of the recession, would damage it far more than we would.

May I give a few examples? This Government introduced free admissions to our museums. Eight out of 10 of the most popular destinations for visitors in the UK are those museums, so we supported the tourism industry by making our museums more attractive. This Government introduced the sea change programme, which has enabled us to invest, through heritage funding and in other ways, to bring back—*[Interruption.]* May I say to the hon. Member for Bournemouth, East (Mr. Ellwood), who is speaking from a sedentary position, that that programme is funded and has been funded? I look forward to a commitment from those on the Conservative Benches that they will continue to fund it as we intend to do.

Mr. Speaker: Order. I am grateful to the Minister. Her answer was a little on the long side, but it was prolonged by excessive chuntering from a sedentary position by Opposition Front Benchers, of which we need to see no repetition.

Sports (Young People)

14. **Derek Twigg** (Halton) (Lab): What his most recent estimate is of the number of 16 to 24-year-olds who regularly participate in sport. [310900]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): The latest figures from Sport England's active people survey show that more than 31 per cent. of 16 to 24-year-olds regularly participate in sport—the definition used is three 30-minute moderate-intensity sessions per week. I am pleased to say that that continues the upward trend of sports participation among this age group since 2006, and reflects the good progress that we have made in growing grass-roots community sport over that time.

Derek Twigg: One way to encourage young people to continue in sport after they leave school is to showcase our best sport as widely as possible in the media. Therefore, does the Minister agree that it would be a major mistake if a decision were taken to remove the rugby league challenge cup competition from terrestrial television?

Mr. Sutcliffe: May I congratulate my hon. Friend on putting his question as he did? He will know that we are consulting on the listed system for broadcasting, but he makes a good point about rugby league. I know that that is his favourite sport; it sits alongside his beloved Liverpool football club. It is important that we ensure that people participate in sport and that we use role models in particular sports to encourage young people to take part.

Domestic Film Industry

15. **Mr. Russell Brown** (Dumfries and Galloway) (Lab): What plans he has for future assistance to the domestic film industry; and if he will make a statement. [310901]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Siôn Simon): The UK Film Council annually receives about £25 million of grant funding and £30 million of lottery funding, which it invests in supporting British film. The Government will continue to provide film tax relief; we provided £100 million-worth of tax credit last year. The proposed merger between the UK Film Council and the British Film Institute will create a single streamlined body that will deliver even more for UK audiences and for the film sector.

Mr. Brown: I thank the Minister for his reply. It is reassuring that the British film industry appears to be in a reasonably healthy state. What is the Department doing through other bodies to encourage young people from disadvantaged backgrounds to engage in art and drama and, thus, have the potential to become the stars of the future?

Mr. Simon: I am grateful to my hon. Friend for his question. He is a great champion of such access for people from ordinary backgrounds in his constituency. He is right that British film is undergoing a bumper year, with three quarters of fantastic figures so far and fabulous figures expected tomorrow thanks to 10 years of the kind of investment that I have been talking about. Last week, I visited the National Film and Television School in Beaconsfield, which cannot be beaten in the world as an elite institution that is bending over backwards to draw in pupils from the broadest possible social base and to support them.

Libraries

16. **Tony Baldry** (Banbury) (Con): What recent representations he has received on maintaining libraries as a statutory service required from local government; and if he will make a statement. [310902]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): We have received a number of representations on public libraries as part of our modernisation review consultation exercise, including some comments on libraries as a statutory service. We will consider these responses in detail when the consultation closes on 26 January and publish a policy statement incorporating responses to the consultation in the spring.

Tony Baldry: Does the Minister agree that there is always a risk that libraries will end up as something of a Cinderella service? Does she also agree that for those who have listened to this afternoon's exchanges in questions, the idea that the Government will be able to maintain exactly the same spending on her Department after the general election, whoever wins, and that that will simply continue in a steady state, is wholly unrealistic? Is it not time for a collective grown-up debate about how we are going to make savings and reduce the public deficit while causing the minimum danger and damage to public services—

Mr. Speaker: Order. I am extremely grateful to the hon. Gentleman, but I think that we have the thrust of his question.

Margaret Hodge: Funding for libraries is actually a matter for the Department for Communities and Local Government, which funds libraries through the local government settlement and local government grants. I agree with the hon. Gentleman that libraries can become a Cinderella service in many local authority areas, and it was because of that danger that I instituted this review. I want to ensure that we get a library service that is fit for purpose in the 21st century and that can be afforded by local authorities on a firm footing.

Local News Services

17. **Mr. David Crausby** (Bolton, North-East) (Lab): What steps his Department is taking to secure the future of local news services. [310903]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): We intend to secure the future of local and regional news through new regional news consortia, starting with pilots in Wales, Scotland and the Tyne Tees and Border region. Last week, the Government announced the successful bidders that will go through to the next stage of the process. We do not agree with those who appear to believe that the market alone can secure the future of high quality regional news, which is greatly valued by both the public and Members of this House.

Mr. Crausby: Local newspapers, such as *The Bolton News*, face increasing competition from other media sources. What can my right hon. Friend do to ensure that Government advertising is steered towards these vital local sources?

Mr. Bradshaw: The first thing that I would say to my hon. Friend is that local newspapers and local newspaper groups have warmly welcomed the Government's proposals for the new regional news consortia. Many local newspaper groups are involved in bidding for some of the pilots to which I have just referred. I have some sympathy with his point about the impact of local government free sheets and their advertising on local newspapers. He might have noticed that we announced in December, just before Christmas, that we would continue to require local authorities to advertise in paid-for newspapers. The Department for Communities and Local Government is undertaking a review of the publicity code for local authorities, in which we have made our opinions quite clear.

Topical Questions

T1. [310907] **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): My Department is responsible for a range of policies to support culture, media and sport, which, taken together, had their best year ever last year. They now account for 10 per cent. of the United Kingdom's gross domestic product, which is the highest proportion for the creative sectors, broadly speaking, of any country in the world.

Derek Wyatt: Will the Minister tell us why there has been such a delay in implementing the Legal Deposit Libraries Act 2003?

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): I agree that there has been an unacceptable delay in implementing one particular part of the Act, which is why we have taken action. Just two or three weeks ago, we put out to consultation the necessary drafts to ensure that we can implement at least part of the Act and so that libraries can start to collect books that are published online as well as hardback books. I accept the criticism and hope that the speedy action that I have taken will rectify that position.

T4. [310910] **Mr. Hugo Swire** (East Devon) (Con): Has the Secretary of State made an assessment of the effect on the Met Office if it loses its contract with the BBC, and what safeguards can he give to the 1,200 employees of the Met Office who work in his own constituency?

Mr. Bradshaw: I am sure the hon. Gentleman recognises that the work of the Met Office is much broader and more comprehensive than simply the service that it provides to the BBC, although that is an important service. The BBC is required under its charter to review such contracts in terms of value for money for the licence fee payer. I am sure the Met Office, which is probably the best and most respected meteorological office anywhere in the world, in spite of recent criticisms of its long-term forecast for the winter, will have a strong chance of maintaining that contract.

T3. [310909] **Mrs. Linda Riordan** (Halifax) (Lab/Co-op): Will the Minister join me in congratulating the 16,000 people who signed up to the recent campaign to

save our central library from the Tory council, which planned to bulldoze Halifax central library without any consultation? Will she outline the Government's plans to keep libraries at the centre of our communities in the 21st century?

Margaret Hodge: I take pleasure in congratulating the citizens of Halifax and the hon. Member who represents them on mounting such a successful campaign, which has kept that library open. I remind all local authorities that as they plan a comprehensive and efficient library service, it is imperative that they consult local people. Our policy statement on the future of libraries will, I hope, help us to keep libraries at the heart of every community throughout the country.

T5. [310911] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Is the Secretary of State aware that of the last 160 BT exchanges that were upgraded to deliver enhanced broadband, none were located in either Norfolk or Suffolk? Will he find time to look at the excellent *Eastern Daily Press* campaign on the subject, and will he also speak to the chairman of BT to find out why rural areas of England are being discriminated against?

Mr. Speaker: Order. I am grateful to the hon. Gentleman. One subject will do. I have had reason to mention that to him before, but I feel sure that I will not need to do so again.

Mr. Bradshaw: Without knowing the detail—I will look into it on behalf of the hon. Member for North-West Norfolk (Mr. Bellingham)—I imagine that that was a commercial decision made by BT, which is a strong argument in favour of the Government's policy of securing high quality next generation broadband for the whole of our country, including rural areas such as Norfolk, through a small fixed-line levy—a policy that is opposed by his party.

T8. [310914] **John Robertson** (Glasgow, North-West) (Lab): A recent report on illegal downloading by children found that 31 per cent. of children aged six to 14 admit that they regularly watch programmes that they have illegally downloaded or streamed to a television, and that 16 per cent. also download pirate films before they are released. That was a survey of 4,500 children. Will my right hon. Friend look into the matter? We cannot turn our children into criminals for having done something that they consider okay, but we need to educate them better—

Mr. Speaker: Order. I am grateful to the hon. Gentleman. The same principle applies: one question will suffice.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Siôn Simon): My hon. Friend is right. Large numbers of young people who are doing something that is illegal need to be educated and informed that that behaviour is not okay and that it is against the law. When the Bill comes from another place to this place, there will be specific provisions and procedures to explain to them gently that they cannot continue to break the law.

T6. [310912] **Mr. Andrew Pelling** (Croydon, Central) (Ind): The AllStarz gymnastics group has benefited from the Government's extended schools programme, a supportive community school, Addington high, and the local authority, but its continued existence is somewhat compromised by financial difficulties. I know that English Gymnastics and Sport England are supportive, but where should I turn to try to get proper support for the group?

Margaret Hodge: The voluntary sector in arts and particularly dance activities is hugely important. There are some 50,000 voluntary organisations, and nearly 10 million people participate in some way in voluntary organisations in the arts and culture sector, so it is vital that we do all that we can to maintain and grow that sector. Dance is crucial not only for what it does for individuals' health, but because it is an innovative and creative art form. We have invested more than £5 million in a dance strategy for young people. I urge the hon. Gentleman—

Mr. Speaker: Order. May I gently say to the right hon. Lady that at topical questions I am always keen to get through the lot, if humanly possible? I appreciate the comprehensiveness, but we must move on.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Those hon. Members who were present for the Special Olympics in Leicester in 2009 will be aware that it leaves a lasting legacy, but what can Ministers do to ensure long-term support and funding for Special Olympics Great Britain so that not just Leicester but the rest of the country can benefit?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I congratulate my hon. Friend on his work for the Special Olympics in Leicester. He is quite right: sport should be available to everybody and be inclusive of everybody. We are working with other Departments, including the Department of Health and the Department for Work and Pensions, to see what we can do to fund the Special Olympics in all its formats.

T2. [310908] **Miss Anne McIntosh** (Vale of York) (Con): Digital Britain will bring many opportunities for the new, digital age, but it could create a two-tier system for commercial radio, which will not be treated as preferentially as BBC radio. Will the Government ensure that there is not a two-tier system, with second-rate commercial radio compared with the BBC?

Mr. Simon: I understand those concerns, and I am talking to the commercial radio industry all the time about the matter. The essence of the answer to the question is what is called an electronic programme guide, in which smaller commercial stations, which stay on FM, will appear by name on the dial of digital sets. An FM ghetto will not, therefore, be created, and stations will be accessible to consumers in the same way.

Joan Walley (Stoke-on-Trent, North) (Lab): Stoke-on-Trent city council has gone ahead with proposals to close down the city's gymnastics centre and Tunstall swimming pool at a time when the Government are trying to get more people involved in sport. Will my hon. Friend see that his officials urgently consider whether funding can be made available with a joint, holistic

approach, so that the inequalities in a place such as Stoke-on-Trent can be reversed and we can get more people, not fewer, to participate in sport?

Mr. Sutcliffe: Clearly, that is what we want to achieve—to get 2 million more people involved in sport and physical activity. I am dismayed to hear about the situation in Stoke. I shall see what we can do, through my officials, and get back to my hon. Friend.

T7. [310913] **Tony Baldry** (Banbury) (Con): Does the Secretary of State anticipate his Department making any contribution to reducing the public deficit?

Mr. Bradshaw: Unlike the Opposition, we are committed to our spending review until 2011. We do not think that is it sensible, for economic reasons, to take money out of the economy now. We did not think that it was sensible last year, as the hon. Gentleman's party advocated, and we do not think that it is sensible this year. I am pleased to say that our record support for arts and culture, which has helped this country's creative sector become No. 1 in the world as a proportion of GDP, is a result of our investment; and I am confident that I can convince my Government colleagues that the very small amount of money that we spend in this country gives an absolutely fantastic return.

Rob Marris (Wolverhampton, South-West) (Lab): My understanding is that the Government currently propose that analogue radio be switched off in 2013. If that is the case, it is absolutely potty. Will the Government reconsider?

Mr. Simon: My hon. Friend is, for once, slightly wrong on the detail. The policy is that we move to digital in 2015, but not that analogue radio be switched off. Most big radio stations will move to digital, but smaller commercial and community radio stations will stay on FM and will be, as I have said, on the same dial as the big digital stations.

T9. [310915] **Mr. Peter Bone** (Wellingborough) (Con): Does the Secretary of State believe that the wearing of the burqa in public should be banned?

Mr. Bradshaw: No.

Mrs. Ann Cryer (Keighley) (Lab): Is my hon. Friend aware that last summer Conservative-controlled Bradford city council excluded the wonderful Ilkley lido in my constituency from the free swimming initiative for young people and pensioners? Is he also aware that many of my constituents, having travelled from Keighley, were very disappointed to find that the lido was quite expensive?

Mr. Sutcliffe: I am concerned that the council in question signed up to that initiative for the over-60s and under-16s but excluded Ilkley. That was a big mistake, and the council should look at its swimming pool strategy. I shall work with my hon. Friend to try to put the situation right.

Dr. Vincent Cable (Twickenham) (LD): This morning, the Minister of State wrote to me about her unpopular decision to introduce car parking charges for the use of royal parks. Will she explain how the environmental objective of reducing the flow of traffic through those beautiful parks is helped by singling out a very small percentage of users—mainly local people—who go there specifically to walk?

Margaret Hodge: Car park charges are being introduced in the two parks, so that there are car park charges in all the royal parks across the whole of the capital. If there is a charge, it can be said to act as a disincentive to the use of cars. Today, I will be going from the Chamber to a meeting with the leader of the hon. Gentleman's local authority and other local authority leaders to discuss whether we can provide some sort of train to go across Richmond park, to make it easier for elderly people to enjoy all aspects of the park, right across the park.

Several hon. Members *rose—*

Mr. Speaker: Order. There will now be questions for the Minister for the Olympics. I reiterate that there are only 10 minutes for this session, so we need pithy questions and pithy answers.

OLYMPICS

The Minister for the Olympics was asked—

Budget

1. **Andrew Selous** (South-West Bedfordshire) (Con): What steps she is taking to control the size of the budget for the London 2012 Olympics. [310879]

The Minister for the Olympics (Tessa Jowell): The £9.325 billion public sector funding package that I announced in March 2007 remains unchanged. The rigorous scrutiny includes significant savings—£390 million alone in 2008-09. I shall sacrifice the rest of my answer in the interests of pith.

Andrew Selous: Are the assumptions about land values still valid following the recession?

Tessa Jowell: The land values have certainly been reviewed. As the hon. Gentleman may be aware, negotiations are currently taking place between the Government, the Mayor and the board of the legacy company to determine on what terms and at what level debt should be reassigned.

Mr. Don Touhig (Islwyn) (Lab/Co-op): Will my right hon. Friend assure the House that there will be no further raids on lottery funds to sustain and keep up the budget for the Olympics?

Tessa Jowell: Until 2012, the Olympics are a sixth good cause, as was the millennium in 2000. There will be no further take from the lottery, but the lottery is contributing in a very handsome way towards the creation of the Olympics, which will be one of the greatest events that people in the whole UK have ever known.

Tom Brake (Carshalton and Wallington) (LD): Around 250,000 Olympics devotees are desperate to volunteer in 2012, yet only 70,000 of them will be able to act as official volunteers. What steps will the right hon. Lady

take to ensure that the existing budget provides meaningful and satisfying volunteering opportunities for the hundreds of thousands of sports fans who are not going to be part of the official volunteering team?

Tessa Jowell: The hon. Gentleman is absolutely right that thousands more people want to volunteer for the Olympics than there are specific opportunities in the Olympic park. We are looking across the UK to create what I hope will become the biggest participation and engagement programme ever. I also hope that one of the criteria that will attach to the selection of volunteers in the Olympic park will be experience of having volunteered in the community.

Hugh Robertson (Faversham and Mid-Kent) (Con): During a recent briefing, the London Organising Committee of the Olympic Games and Paralympic Games reported that one of its greatest operational challenges was Government Departments 'outside the Government Olympic Executive rowing back on their commitments in the current public expenditure round. Those Departments promised to deliver on those commitments at the time of the bid. Is the right hon. Lady in a position to tell us what action she has taken to prevent that, and can she place in the Library of the House a copy of all those commitments, across Government, with the budgets attached?

Tessa Jowell: I am surprised by the hon. Gentleman's remarks; those concerns have not been raised with me in those terms by LOCOG. Nineteen Government Departments are engaged in delivering the games and to my knowledge, through the Cabinet Committee and other forms of co-ordination, Government Departments are making every bit of their contributions. For instance, the Home Office is overseeing perhaps the most difficult job of all—security. The Olympics will be the biggest peacetime logistical exercise, and they could not happen without the wholehearted support of the Government; London 2012 has that.

London 2012 (UK Businesses)

3. **Jim Dobbin** (Heywood and Middleton) (Lab/Co-op): What her latest assessment is of the financial effects on UK businesses of the London 2012 Olympics. [310881]

Tessa Jowell: The games are creating work and business opportunities for businesses large and small across the UK. The Olympic Delivery Authority has awarded more than £5 billion-worth of contracts to more than 1,000 suppliers. It has been our determined effort to make sure that businesses right around the country, including those in my hon. Friend's region, benefit from this shot in the arm for UK plc at a time of downturn.

Jim Dobbin: More specifically, can the Minister say what benefits the games construction programme has delivered to companies in the north-west?

Tessa Jowell: Through the ODA, some 43 suppliers from the north-west have sought contracts to supply the Olympic park. I will send to my hon. Friend, and place in the Library, a detailed list of the firms that have contributed, which are diverse and significant. The north-west is also benefiting from the commercial opportunities arising from the Olympics.

Mr. Mark Field (Cities of London and Westminster) (Con): While I appreciate that this is a national games and that we want benefits across the country, will the Minister give some indication of the small businesses within a 5-mile radius of the Olympic village that will feel the benefit? Does she have data to hand so that she can give us that information at this stage, or perhaps in writing?

Tessa Jowell: About 50 per cent. of all the businesses that have so far contributed to the supply of the Olympic park are within London. I am not able, at this point, to give the hon. Gentleman the precise detail that he wants, but I am happy to supply it. The ODA is about to issue another £1 billion-worth of contracts, and LOCOG £700 million-worth of contracts, so there are opportunities for businesses of all sizes not only in London but right across the UK.

Mr. Denis MacShane (Rotherham) (Lab): Will my right hon. Friend write to me—and put a copy in the Library and send one to the *Rotherham Advertiser*—about how Rotherham workers can find jobs in construction and other related work that is going on, because there is a tremendous sense in South Yorkshire that they are not getting a fair crack of the whip?

Tessa Jowell: I am very happy to do that, and I am happy to come to South Yorkshire again to set out the potential for its contribution to the Olympics. At every stage, we have sought to open up the tendering processes to create opportunities for the whole UK—and South Yorkshire is not usually slow in coming forward.

London 2012 (Multi-Media Coverage)

4. **Richard Ottaway** (Croydon, South) (Con): What representations she has received on the provision of multi-media coverage of the London 2012 Olympics; and if she will make a statement. [310882][1]

Tessa Jowell: These will be the first games to be filmed wholly to high-definition standards. There will be access to information via additional channels and mobile devices, ensuring the games are accessible to everyone. The International Olympic Committee and the International Paralympic Committee are responsible for global broadcast rights of the London 2012 games via many platforms, including multi-media platforms.

Richard Ottaway: We all expect the games to be the most watched ever, but the introduction of multi-media coverage presents a huge logistical and technological challenge, particularly as it will come just after digital switchover. To what extent will an analogue signal still be available to those who want it?

Tessa Jowell: The expectation is that the television switchover will have been completed by 2012, subject to any last-minute issues that might affect the coverage of the Olympics. In that sense, the analogue signal will no longer be available. However, much preparation is under

1. *[Official Report, 2 February 2010, Vol. 505, c. 1-2MC.]*

way to ensure access to multi-media platforms, starting with ensuring the availability of spectrum. I thank Ofcom for the invaluable work that it has done, so early on, to ensure that that spectrum is available.

Crystal Palace

6. **Mr. Andrew Pelling** (Croydon, Central) (Ind): If she will make it her policy to promote the sporting facilities at Crystal Palace as part of preparations for the London 2012 Olympics. [310884]

Tessa Jowell: Yes, Crystal Palace sports centre is an official London 2012 pre-games training camp—no surprises there. Essentially, the onus is on Crystal Palace to market itself to the international teams to train at the venue. There are incentives, however, with £25,000 from LOCOG available for every national Olympic and Paralympic committee to encourage them to use official pre-games training camps. I hope to visit Crystal Palace again before the end of this month.

Mr. Pelling: The Minister is very supportive of Crystal Palace. Given that it represents the internationalism of the 19th century, which, in some ways, is mirrored in the Olympics now, might we do well to co-ordinate the laying of a foundation stone for a new Crystal Palace with the timing of the Olympics and the Queen's diamond jubilee?

Tessa Jowell: I am sure that that very good idea justifies further examination.

Olympic Delivery Authority

7. **John Robertson** (Glasgow, North-West) (Lab): What recent discussions she has had with the Olympic Delivery Authority on the implementation of its commitment to maximise local employment opportunities; and if she will make a statement. [310885]

Tessa Jowell: I am a member of the ODA's employment and skills board, which is responsible for overseeing the creation of the skills and employment legacy. One of the most important aspects of the legacy is ensuring that local people and young people working in businesses as part of the supply chain have the opportunity to leave their Olympic-related job better trained and with an increased chance of staying in work.

John Robertson: My right hon. Friend will be aware of those trade unions that have been complaining about the lack of local people being trained—such training would be beneficial in the years to come. Will she meet the trade unions in question to find out what the problems are and to try to help to solve them?

Tessa Jowell: I am surprised by my hon. Friend's observation. The apprenticeship level to which we are committed for the Olympic park is in fact three and a half times the regional average, and every single supplier understands the obligation on them. Alan Ritchie, the general secretary of the Union of Construction, Allied Trades and Technicians, recently observed that the Olympics have one of the best regulated construction sites in Britain. Principles of co-operation have been signed between the ODA and the TUC. If there are any concerns, however, we will of course do everything that we can to address them.

Point of Order

3.31 pm

Dr. Julian Lewis (New Forest, East) (Con): On a point of order, Mr. Speaker. You will remember that during last Thursday's business questions there was strong and welcome agreement between the Leader of the House and her shadow that when the general election is held, the votes should be counted on the night and not the following day, unless that is absolutely unavoidable. Is it in order to ask you to express your definitive viewpoint on the matter?

Mr. Speaker: I am grateful to the hon. Gentleman, both for his point of order and his courtesy in giving me advance notice of it. I hesitate to say that my opinion would, in any way, be considered to be definitive, but I am happy none the less to offer him and the House an opinion.

For my own part, I am a passionate believer in instant, not slow motion, democracy. It seems to me that it is in the interests of the House and the country that the count should take place on the night, and there are two overwhelmingly compelling reasons why: first, I believe that there could be a threat to the security of the ballot if the count is delayed; and, secondly, it seems to me that on the day the election takes place, it should be possible for the count also to take place so that we get the result speedily. Frankly, it should not be beyond the wit and sagacity of humankind—or indeed of local authorities—to ensure that that happens. I politely suggest to the House that what is required is not a passive acceptance of the particular views of individual local authority chief executives, but rather an assertion of leadership nationally and politically, at a local level, to achieve what I sense the House is uniting in wishing to see.

BILL PRESENTED

Pedicabs Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Mark Field presented a Bill to make provision for the control of pedicabs; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 5 March, and to be printed (Bill 33).

Crime and Security Bill

Second Reading

Mr. Speaker: I inform the House that I have not selected either of the amendments.

3.34 pm

The Secretary of State for the Home Department (Alan Johnson): I beg to move, That the Bill be now read a Second time.

The Bill builds on an unrivalled record that, since 1997, has seen the first sustained fall in crime for more than 100 years. Overall crime is down by 36 per cent., violent crime by 41 per cent., burglary by 54 per cent. and vehicle crime by 57 per cent. Since 2000, the reoffending rate for both adults and juveniles has fallen by more than 20 per cent. That is a tremendous achievement by our police forces and other agencies across the country. The Bill will build on those achievements by strengthening our efforts to tackle crime and antisocial behaviour among young people. It will bring greater protection to the victims of domestic violence, cut police bureaucracy and establish a new framework for the retention of DNA records.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): If things are going so well and crime rates are improving, why is the intention behind the Bill to keep the DNA of people who are innocent?

Alan Johnson: The DNA database has actually been a contributory factor to the astonishing reductions in crime achieved in this country, but I give the hon. Gentleman full notice that he will have plenty of chances to intervene when I get to that part of my speech.

The Bill will make it an offence not to take reasonable precautions to prevent an air weapon from coming into the hands of children, thus sending a strong message about the need to improve safety.

Joan Walley (Stoke-on-Trent, North) (Lab): Because of tragic circumstances, we have campaigned on that issue in Stoke-on-Trent. Can my right hon. Friend assure me that clause 42, which requires reasonable safeguards, can ensure that there is safe storage of airguns, to prevent further tragic accidents?

Alan Johnson: I do think that we can do that through the Bill, although it is not concerned only with guns in storage. We aim for greater safety as they are being transported and used as well, and of course the definition of "reasonable precautions" will vary in accordance with the circumstances involved. We can ensure that air weapons are properly locked away, which is an important point that my hon. Friend has raised for many years.

Pete Wishart (Perth and North Perthshire) (SNP): The Home Secretary will know of the many tragic incidents that we have had in Scotland as a result of airguns, and the repeated calls from the Scottish Government to have the issue devolved so that we can put in place the licensing of airguns to help address the problem. The Labour party agreed, through the Calman

commission, that that should happen. Can we not devolve the responsibility for airguns, so that we can deal with the problem in Scotland?

Alan Johnson: We have agreed to devolve this issue, as my right hon. Friend the Secretary of State for Scotland reported recently. The mechanics of doing that are a subject for the usual channels, but we very much agree on the matter.

By introducing a compulsory licensing scheme for wheel-clamping businesses, which will allow us to set limits on the fines that they can impose, the Bill will outlaw rogue operators who extort vast sums from drivers and bring the entire sector into disrepute. It will also make it an offence to possess a mobile phone within a prison without authorisation.

Fiona Mactaggart (Slough) (Lab): Can the Home Secretary assure the House that, having taken some time to consult on those proposals, if the Bill is passed, he will try to ensure that they come into force as soon as possible after its date of commencement?

Alan Johnson: I do give that assurance, although as my hon. Friend will be aware, it seems from the amendments that you did not select, Mr. Speaker, that both Opposition parties intend to vote against Second Reading. We have to get the Bill through to enable those measures to come into force.

I wish also to announce a new provision that we intend to introduce in Committee. The House will be aware of the long-standing arrangements under the criminal injuries compensation scheme to compensate victims of violent crime, including terrorism. However, that scheme offers compensation only to victims of crimes committed in Great Britain. Although a number of other countries have their own compensation schemes, there are many parts of the world where, should a British citizen become a victim of terrorism, they would have no access to compensation. Sadly, many recent British victims of terrorist attacks abroad have been injured or killed because they are westerners, and there has been a particular increase in such attacks since 9/11. Whether those attacks are targeted at individuals or are more indiscriminate, terrorism is intended as a political statement and an attack on society as a whole and, as such, it has ramifications far beyond those who are directly affected. We will therefore introduce a new victims of overseas terrorism compensation scheme, which will broadly mirror the domestic criminal injuries compensation scheme. In accordance with the long-standing general principle that the Government and Parliament do not legislate retrospectively, the new scheme will apply only to designated terrorist incidents that take place from today. However, we recognise that victims of overseas attacks in recent years continue to face hardship because of disabilities arising from the injuries they sustained.

Mr. Edward Garnier (Harborough) (Con) *rose—*

Alan Johnson: The hon. and learned Gentleman is silently asking me to give way.

Mr. Garnier: I am now going to get a bit noisier. On another overseas matter, it has been suggested by Government spokesmen that they may use this Bill as an opportunity to adjust the law on universal jurisdiction—I refer to the case of Tzipi Livni, the former Foreign Minister of Israel. Do the Government intend to use the Bill to adjust the law on universal jurisdiction or will they use some other means to do so? If it is the latter, what other means will they use?

Alan Johnson: I cannot answer that question at the moment. My right hon. Friend the Foreign Secretary and others are looking into the situation—the unacceptable situation in respect of Tzipi Livni—and will come to the House with proposals in due course.

As I said, in accordance with the long-standing general principle, we will not apply the measure retrospectively, but we recognise that we need something for past victims of terrorism. Subject to the passage of the Bill, we will provide assistance to eligible victims of overseas terrorist attacks since 2002 and will announce further details in due course.

Prior to the introduction of the Crime and Disorder Act 1998, police and local authorities could do very little about behaviour that stopped short of being criminal but that was profoundly disruptive and the cause of intense distress. Following that groundbreaking piece of legislation and the Criminal Justice and Police Act 2001, the police and local authorities have the powers they need to tackle antisocial behaviour. Problem behaviour usually ceases after one intervention, whether that is an acceptable behaviour contract or a simple letter from the police. and 93 per cent. of such behaviour ends after three interventions. However, the police alone cannot tackle the root causes of antisocial behaviour, and police powers, although necessary, are insufficient.

We now need to consider what further action to take to tackle the very small number of persistent young offenders. Although young people are far more likely to be the victims rather than the perpetrators of antisocial behaviour, those who are persistently involved in antisocial behaviour often graduate to petty crime or gang activity. Their disruptive behaviour is usually indicative of more deep-rooted problems, such as instability at home or chronic disaffection at school.

Family intervention projects have proved phenomenally successful in addressing the problems of the most chaotic and dysfunctional families involved in persistent antisocial behaviour. An independent study of the first 700 families to take part in a family intervention project shows dramatic reductions not only in antisocial behaviour, but in drug and alcohol problems, domestic violence and mental health problems. There have also been better educational outcomes for the children involved.

As the Prime Minister announced in September, we will roll out that project to cover 56,000 families by 2015. Parenting orders have also been of immense importance for parents who are either struggling to stop their child's problem behaviour or who are adamant in their refusal to take any responsibility for their child's actions.

Keith Vaz (Leicester, East) (Lab): The Home Secretary will recall the case in Leicestershire, when he criticised the lack of speed with which the police dealt with a complaint of antisocial behaviour. Is he satisfied that once such matters are brought to the attention of the police, there is sufficient contact between them and the

[Keith Vaz]

local authority, at a high enough level, to ensure that they act swiftly to deal with any outstanding issues of that kind?

Alan Johnson: My right hon. Friend raises the tragic case of Fiona Pilkington and her children. It is clear that in the two and half years since that happened, dramatic improvements have been made by Leicestershire police, but the coroner pointed out the failures at the time.

On the second point, I am not yet confident that all police forces in all police authority areas are giving the necessary priority to this issue. That is why my right hon. Friend the Secretary of State for Communities and Local Government and I have asked the crime reduction partnerships to ensure that by March we have a version of the policing pledge applicable to antisocial behaviour, so that people—wherever they live—can depend on a minimum standard of response and diligence on this issue. That is the right way to ensure that we have consistent standards across the country.

Although local authorities and youth offending teams have been able to issue parenting orders since 2004, they have not been used widely enough, despite their proven effectiveness. Under the proposals set out in this Bill, when the courts issue an antisocial behaviour order against a young person, they will be required to consider that child's parenting needs. If that antisocial behaviour order is breached, a parenting order will be automatically triggered. The requirements imposed on parents by the courts will vary, from requiring them to address their drug or alcohol problems, or attend intensive parenting classes, to supervising their child at certain times of the day or night.

In addition, this Bill will address gang violence among young people. Although the numbers involved in violent gangs are very small, the damage they do to their communities, not to mention their own lives, is immense. The Policing and Crime Act 2009 gives police and local authorities new powers to issue injunctions to prevent gang violence. In bringing forward that legislation, we considered carefully whether such injunctions should also be extended to under-18s. Our conclusion at the time was that we needed to explore in more detail, along with the Youth Justice Board and other key partners, how such legislation would address the issues that were specific to children and young people. In particular, we needed to ensure that as well as offering greater protection to communities, such injunctions would also divert young people from long-term involvement in crime.

The Crime and Security Bill will therefore set out how gang injunctions can be applied to 14 to 17-year-olds. As with such injunctions for over-18s, they can be used to prevent the young person from going to a particular place, from meeting with other gang members or from using dogs as weapons to intimidate their community. But critically, they will direct young people towards targeted support that will help to address any underlying issues—problems at home or school, drug or alcohol abuse—that may be contributing to their unacceptable behaviour.

One of the most important elements of this Bill is the greater protection it will give to victims of domestic violence. Although incidents of domestic violence have fallen by 64 per cent. since 1997, and the conviction rate is rising, it still accounts for 14 per cent. of all violent crime and its impact continues to ruin the lives of women and children. Having been apprehended by the police, but released, a perpetrator of domestic violence has little to stop him returning to the family home. The victim then faces a stark choice between enduring further abuse or leaving their home altogether, which is why domestic violence remains a significant cause of homelessness among women. Domestic violence protection orders will give the police powers to ban the attacker from the home of their victim for up to 28 days, providing vital respite for victims to consider their options. Thus it will not be the victim who is forced to leave her home—as is too often the case at the moment—but the perpetrator.

Mr. Humfrey Malins (Woking) (Con): Obviously domestic violence protection orders are important, but I cannot see in the Bill what the penalty will be for breaching one. Can the Secretary of State help us on that?

Alan Johnson: Breaching a domestic violence protection order would be like breaching an injunction—we used to use injunctions for those purposes until a Court of Appeal ruling a few years ago—and we envisage that the punishments would be the same. The similarity with an injunction should guide the committee.

Mr. Llwyd: Can the Secretary of State please elaborate on what he is saying and tell the House why a domestic violence protection order is different from a non-molestation order under the Family Law Act 1996?

Alan Johnson: I am not equipped to go into the fine detail about that—unlike my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism, who will be equipped to do just that in Committee—but as hon. Members from both sides of the House will realise, we thought that there were effective tools to use in those cases, but they were found to be ineffective because of those Court of Appeal rulings. Since those rulings were made three or four years ago, we have been looking seriously at replacing those tools with domestic violence protection orders.

Mr. Malins: Will the Secretary of State give way?

Alan Johnson: I have given way once. Let us move on.

Over the past few years, we have made huge efforts to cut police bureaucracy. Thirty-six data collection requirements have been either removed or significantly reduced. Scrapping activity-based costing alone has saved around 260,000 hours of police time. The foot-long stop-and-account form has gone, saving another 690,000 hours. The Bill will advance that agenda by significantly reducing the length of the stop-and-search form. Under current legislation, when the police stop and search a suspect, they have to record the person's name—or a description, if the person refuses to give their name—the details of any vehicle stopped and whether any injury or damage to property has been caused, even though the question is not applicable in the vast majority of cases. Under the proposals outlined in the Bill, the police will still be required to record the date, time and place of the stop. Officers will also

continue to record the ethnicity of the person involved. It will still be possible to monitor the police's use of stop-and-search both locally and nationally, and to hold them to account accordingly, but without the added burden of the unnecessary and time-consuming requirements of the current form.

Keith Vaz: I am most grateful to the Home Secretary for giving way a second time. Of course we welcome the proposals to reduce bureaucracy and the work that has been done by Jan Berry on behalf of the Home Office. However, I wonder whether he recalls that I wrote to both him and his predecessor about the Staffordshire example, whereby the local police force reduced the bureaucracy involved in the recording of information, and asked that that good practice be transmitted to other police authorities. We do not have to wait for legislation to make a move on that, do we?

Alan Johnson: I do recall that correspondence. The Staffordshire example is a good example—

Michael Fabricant (Lichfield) (Con): Hear, hear.

Alan Johnson: So says an MP from Staffordshire. The Staffordshire example is a good example that is being rolled out across the country. However, my right hon. Friend will know that it sometimes takes an interminable amount of time to get best practice spread out among 43 different police forces. However, even despite the best practice in Staffordshire, I still think that we should use this opportunity to reduce bureaucracy through legislation, as we did with those two other over-long forms.

Chris Grayling (Epsom and Ewell) (Con): Can the Home Secretary clarify one point? My understanding is that under the current rules if a vehicle with a number of occupants is stopped and searched, the police officer has to fill in a separate form for each occupant and a separate form for the motor vehicle. What will the situation be now?

Alan Johnson: If a motor vehicle is involved, a separate form for that vehicle will have to be filled out by the officer. The problem at the moment is that even if a vehicle is not involved, the police officer has to fill out a form that is applicable to one being involved. Whether we are talking about doing all four occupants in the car at one hit is another matter, but we must seek to reduce the bureaucracy to a bare minimum.

One major feature of the Bill is the proposed new framework for the retention of DNA records. No one in the House can doubt that the development of DNA profiling has had a profound impact on the police's ability to bring to justice the perpetrators of some of the most horrific crimes. That was underlined yet again when Paul Hutchinson was convicted just before Christmas of the 1983 murder of 16-year-old Colette Aram, the subject of the first ever appeal on the television programme "Crimewatch". Hutchinson was traced only because DNA had been taken from one of his relatives, who had been convicted of a minor offence in 2008.

Mr. Frank Field (Birkenhead) (Lab): In my constituency, where a young woman was brutally murdered more than a decade ago, the DNA record allowed a person who probably would have gone free to be brought to justice and put inside. I know that my right hon. Friend is only just beginning, but we have not heard any data in the House for the past two years about the number of crimes cleared up due to such records. The number for the first 10 years was well over 250,000. Does he have more up-to-date figures?

Alan Johnson: I do, and I will give my right hon. Friend exact figures. I believe that it is about 400,000 now, but I will update the House and ensure that—*[Interruption.]* The hon. Member for Epsom and Ewell (Chris Grayling) says from a sedentary position that it is going down. Crime is going down. The total number of detected crimes in which DNA match was available decreased by 11 per cent. between 2003-04 and 2008-09. Over the same five-year period, police-recorded crime fell by 17.1 per cent. That is why the number of DNA matches is going down.

Mr. Field: But is the number not also going down for an even more obvious reason? There was a stock of crime that was not cleared up. When the DNA of people who commit further crime is related back to the stock, it clears up those crimes. Under normal procedures, one would expect that, over time, the number of crimes cleared up due to the keeping of historical data in the data bank would decline. It seems obvious.

Alan Johnson: My right hon. Friend is absolutely right. We are now discussing something on which I thought all parties in the House agreed: the benefits of DNA. DNA was a British discovery, by the way. We have not even got to discussing how long information is kept, and already we are seeing signs of opposition from those on the Conservative Benches.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): No one in the House disputes the importance of keeping the DNA of guilty people; it is the indefinite keeping of innocent people's DNA that is at issue. However, I wanted to make a particular point. Much of the unhappiness about keeping the DNA of innocent people would be avoided if there were a clearer, consistent national system for the removal of innocent people's DNA from the database. At present, it varies from one police authority to another, and the unfairness breeds discontent.

Alan Johnson: My hon. Friend is absolutely right, which is why the Bill contains provisions, which I will discuss in a moment, to deal with that. She is also right that the issue at the moment is the benefit of DNA to the police and other authorities in detecting and deterring crime.

David Davis (Haltemprice and Howden) (Con): The Home Secretary knows that nobody disputes the value of DNA in solving cold cases as well as current crimes, but there is one figure that I would like him to confirm or deny. It relates to the holding of the DNA of innocent people—people who have not been found guilty and were released after arrest. Just over a year ago, the Prime Minister attributed the clearing up of 114 murders to such DNA. In other words, as a result of holding the DNA of previously innocent people, the police cleared up 114 murders. Is that correct, and if so, will the Home Secretary provide a list of them?

Alan Johnson: The right hon. Gentleman says—this is the third time that I have heard it—that no one is disputing the advantage of DNA. I am stuck at this part of my speech because so many people have disputed it. We hear from a sedentary position that the numbers are coming down. The combination of the right hon. Gentleman's question and that of my right hon. Friend the Member for Birkenhead (Mr. Field) means that I should provide some statistics to the House, because the statistics are interesting. I do not happen to have in my speech the one for which the right hon. Gentleman asked, but I have some others that he will find of interest.

I mentioned Paul Hutchinson. We can also take the case of Matthew Fagan. In 2006, he was sacked from a London company. In January 2007, he returned to the offices at the weekend to steal computers and was disturbed by a former colleague, Cathy Marlow, whom he brutally murdered. A significant factor in Matthew Fagan's conviction was that DNA retrieved from under Cathy Marlow's fingernails matched his profile, which was on the database because he had previously been arrested but not convicted for a disorder offence.

There was also the case of Abdirahman Ali Gudaal, arrested in July 2006 for robbery, but not convicted. His DNA was sampled and his record retained. In June this year, he was found guilty of the brutal rape and kidnap of a woman in Coventry, his DNA having matched samples found at the crime scene. Those are two examples of people who had been arrested but not convicted, and who subsequently committed brutal crimes, who would not have been brought to book without the DNA database.

In a recent debate, the hon. Member for Eastleigh (Chris Huhne), who speaks for the Liberal Democrats on this issue, described such cases, including the tragic case of Sally Anne Bowman, as "anecdotal". They are, of course, the personal tragedies that make this legislation necessary, and the response of the hon. Gentleman's party is woefully inadequate.

In developing this framework, we have sought to balance several important issues: first, human rights considerations. The House will be aware of the judgment by the European Court of Human Rights.

David Davis: I am afraid that the Home Secretary did not answer my question. Of course the individual cases that he mentions are incredibly important; indeed, I shall refer to some of them if I am lucky enough to catch your eye later, Mr. Speaker, and deal with them—*[Interruption.]* I shall do so despite the heckling from the Home Secretary's colleague. The simple fact is that the Home Secretary has not answered my question about the Prime Minister's assertion that 114 murders were solved as a result of previously innocent people's DNA being checked. Is that figure right or wrong? If it is right, may we have a list of those cases?

Alan Johnson: I told the right hon. Gentleman that I would provide the House with statistics, and I have given two examples. Actually, even if there were only one example of a vicious murderer or rapist being brought to book in this way, I know that many Conservative Members would believe that this was worth doing—*[Interruption.]* Hon. Members are asking me to give names. I will provide the information that the right hon. Gentleman wants, but I have already given the House two very dramatic cases that would not have been solved under the policy being put forward by the Liberal Democrats, which we now know means that no one who is innocent and not convicted could remain on the DNA database.

The position of the Conservatives, as set out in the amendment that you quite rightly did not select, Mr. Speaker, is:

> "That this House declines to give a Second Reading to the Crime and Security Bill because the retention of the DNA of innocent citizens, which is the centrepiece of the Bill, is unacceptable."

Yet their policy is to retain the DNA of innocent people. At least the Lib Dems, whose policy on this was overturned at their conference, say that we should not keep anyone's records. At least their policy is clear. The Conservatives' policy is actually contrary to their own amendment. They think that people who have been arrested for, but not convicted of, less serious charges should not remain on the DNA database, but that those who have been arrested for, but not convicted of, serious offences should remain on it. The most recent research shows that there is no difference between the two in regard to what is known as the hazard curve, and to the propensity of those people to be arrested again.

Chris Grayling: If the Home Secretary is so convinced of his viewpoint, why are the Government not proposing to introduce a compulsory DNA database for the whole nation?

Alan Johnson: So far as I am aware, only one country is currently looking at that possibility: the United Arab Emirates. For reasons of sheer practicality, no Government of any persuasion in this country would introduce such a scheme. That does not in any way suggest that the Opposition are right to—*[Interruption.]* The hon. Member for Ashford (Damian Green) can chatter away on the Front Bench, but the simple fact is that their policy is to have innocent people on the DNA database, despite declaring that it is wrong to do so. Their problem is that there is absolutely no research to show that those people are more or less likely to be re-arrested than those who are arrested but not convicted on less serious charges.

Chris Huhne (Eastleigh) (LD): I am slightly mystified by the position that the Home Secretary has taken. He just told the House that he thought it was crucial for the clearing up of crimes that this innocent DNA should be held on the DNA database. Will he kindly explain to us, then, why he does not have a consistent policy—it probably would get through the ECHR—of having every single person in the country giving their DNA?

Alan Johnson: First, I do not think that that would be proportionate. Secondly, we do not have compulsory vaccinations in this country for similar reasons. The thought of having to hold someone down to take a swab from the inside of their cheek because they were reluctant to give one is something that no serious politician could suggest. However—*[Interruption.]* The hon. Member for Ashford says from a sedentary position that we do that all the time. I do not know which policies he has been looking at, but we do not hold anyone down to take human material from them. We would not do that, just as other countries would not propose having a compulsory system.

What Conservative Members have to explain is the huge disparity and contradiction in their argument. Either there should be a DNA database that has people who are arrested but not convicted on it for a period of time; or, the logic is followed of the argument that the right hon. Member for Haltemprice and Howden (David Davis) has made—that people are innocent until proven guilty. If that is the case, the Conservatives' policy—God forbid—should be the same as that of the Liberal Democrats, not the halfway house they are in at the moment.

David Davis *rose—*

Alan Johnson: I give way to the right hon. Gentleman one last time.

David Davis: And anything further I can take up on the train later, no doubt. The right hon. Gentleman is generous in giving way and I have two points for him. First, the policy he is mocking is, of course, the policy introduced by the Labour Government in Scotland at the time, so he should take that up with them. Secondly, I would not want him to mislead the House, inadvertently or otherwise, so will he return to his earlier point about the hazard curve, which he says is effectively flat? He says that there is no difference in respect of the likelihood of committing a crime in the future between someone who is innocent of any crime and someone who has committed a crime, yet the Home Office itself has published paper after paper after paper showing that that is not true.

Alan Johnson: I accept that there is not a great wealth of research in this area, but it will grow in all parts of the world. The latest research we have is being independently peer-reviewed as we speak. It suggests that the Jill Dando Institute research on which we based our original proposals—which showed a difference in the hazard curve, or the propensity to be re-arrested, between those arrested but not convicted for serious offences and those arrested but not convicted for less serious offences—is wrong. In fact, the Jill Dando Institute itself said—unfortunately, nine months after it produced the research—that it was flawed. The latest research shows that there is absolutely no difference between the two, which is a very important factor. As to the Scottish scheme, I shall come on to that in a few moments.

Let me return to what I was saying about human rights considerations. This House is, of course, aware of the judgment handed down by the European Court of Human Rights on 8 December 2008, which ruled that although holding DNA records of those who had no conviction could well be proportionate in some cases, it was unlawful to hold those records indefinitely. This Bill responds to that judgment.

Secondly, we must consider what the most recent evidence in this developing field of research tells us. The research we published, along with our proposals in November 2009, shows that there is a link between previous arrests and future arrests. It also shows that, as time passes, that link diminishes so that after six years—not two, three or four, but six—the probability of re-arrest is no higher than for the rest of the population.

Thirdly, we must consider concerns about privacy. Many people find the idea of someone retaining their genetic material disturbing, which is why, although not required to do so by the European Court judgment, this Bill will require all DNA samples—the actual genetic material—to be destroyed after six months. What is retained by the database is the unique 20-digit code that forms the DNA profile.

Fourthly, we must be mindful of the public's very reasonable expectation that the police will harness this enormous scientific advance to protect them from the most horrific crimes, and ensure justice for victims and their families. Under the framework proposed by the Bill, the DNA profiles of all those convicted of crimes, and all juveniles convicted of serious offences, will be held indefinitely, and the police will be given the powers to take DNA samples from people who were convicted of serious violent and sexual offences in the past, before DNA was routinely taken, and from those who have committed such offences and are returning from overseas. The DNA profiles of those who are arrested but not convicted will be retained for six years, in line with the findings of the best available research. I will talk more about that soon.

There is one important exception to the six-year rule. As national security investigations, including counter-terrorism cases, can go on for many years, setting a six-year time frame would potentially be damaging in these circumstances. We therefore propose to allow the retention of DNA profiles beyond the six-year point in these exceptional cases, which have been known to be live for as long as 25 years.

Under the framework set out in the Bill, the records of under-18s convicted of serious crimes will be held indefinitely. However, for those convicted of minor offences, if it is a first conviction, the record will be kept for five years, and only if it is a second conviction will that record be held indefinitely. We make this distinction because it is right that the criminal justice system distinguish between adults and children. For under-18s who are arrested for, but not convicted of, both serious crimes and minor offences, their records will be retained for three years. The records of 16 to 17-year-olds—those entering the peak offending years—will, however, be retained for six years where they have been arrested for, but not convicted of, a serious offence.

Chris Grayling: The Home Secretary appears to have just said that in some cases the DNA of people found guilty of no offence will be stored for longer than that of people found guilty of an offence. Is that correct?

Alan Johnson: My point is that we should hold it for longer for 16 to 17-year-olds, who, as the hon. Gentleman recognises, are entering the peak offending years.

Currently, those seeking to have their DNA profile removed from the database may apply to the chief constable, who is, however, under no obligation to fulfil this request. The Bill will place a legal duty on the chief constable to remove the DNA records in circumstances where the arrest was unlawful, the taking of the biometric data was unlawful, the arrest was based on mistaken identity, or where there were other circumstances relating to the arrest or the alleged offender that would make it appropriate to destroy the material.

Mr. Gordon Prentice (Pendle) (Lab): Is the Home Secretary telling us that chief constables will be able to order the retention of DNA without reference to another body to review that decision?

Alan Johnson: What I am saying is that the current arrangements—which are as my hon. Friend describes, whereby the power is completely with the chief constable, even in cases involving mistaken identity or unlawful action—will change, in that we will set out in law the circumstances in which DNA must not be retained. In those circumstances, it will be removed if the individual requests that—some individuals may want their DNA to be kept on the database—but not in other circumstances, perhaps, because we cannot be absolutely prescriptive here, and we will need to define this. The matter will be discussed further in Committee, no doubt. As the Bill proceeds through the House, we will also need to pay attention to the question of whether there should be another authority to go to on appeal.

Michael Connarty (Linlithgow and East Falkirk) (Lab): The Home Secretary said earlier that the DNA of an innocent person investigated for a possible terrorist offence could be held for a much longer period—up to 25 years, I think he said. On whose authority will such decisions be taken?

Alan Johnson: That system will be set out in the Bill; there will be no discretion for chief constables on that. What I am saying is that we need to keep the DNA records of those arrested but not convicted for terrorist charges for longer.

The Conservative Party has made unfavourable comparisons between the retention framework that we are proposing in this Bill and the model that has been adopted in Scotland. The Conservatives believe that that system should be enshrined in this Bill, but they are profoundly wrong. The Scottish model, like our proposals, accepts that those who are arrested for an offence, even if they are not convicted, are more likely to be convicted of an offence on a future occasion, but it differs on three significant points. First, it only retains DNA records of those who are arrested for but not convicted of serious crimes. It does not take into account the most recent research—I mentioned it in response to an intervention—which shows that the seriousness of the offence for which someone is initially arrested but not convicted has no bearing on the likelihood of re-arrest. Indeed, the Scottish model was based on no research whatsoever.

In 2008-09 alone, 79 matches were drawn from the DNA database for cases of rape, murder or manslaughter from people who had been arrested but not convicted of an offence. This is an important point. In 36 of those cases—nearly half of them—the DNA match was vital in securing a conviction. In respect of those 36 cases, 13 of the perpetrators were on the database because they had been arrested for but not convicted of a serious crime. That means that 23 perpetrators were on the database because they had been arrested for but not convicted of a minor offence. So if we were to apply the Scottish model, as the Conservative party urges us to do, it is highly likely that in this year alone these 23 victims of the most serious crimes and their families would have been denied justice—23 killers and rapists would have remained free to kill and rape again. It is unlikely that the cases I referred to earlier of Cathy Marlow's killer, Matthew Fagan, or the rapist Abdirahman Ali Gudaal would have been detected through DNA evidence, because both were arrested but not convicted for less serious crimes. This is at the heart of this debate.

Pete Wishart: The Home Secretary will of course recall that it was the Labour Executive, in conjunction with the Liberals, who got this Scottish system through the Scottish Parliament. Is he saying today that the Scottish Parliament should simply copy and introduce his proposals just because he feels that this is the right thing to do?

Alan Johnson: I hear the hon. Gentleman's plea of not guilty, which I accept. I am not trying to impose our system on Scotland; I am saying that the argument being made by the Conservatives, which is that the Scottish model is the one we should adopt, is profoundly wrong.

Chris Grayling: May I ask the Home Secretary to respond to a letter written by his colleague, Lord Bach, the Under-Secretary of State for Justice, on 5 July 2009? He said the following in relation to research carried out on the Scottish system by Professor James Fraser:

> "He did not uncover any evidence to suggest that this approach to retention has caused any detriment to the detection of serious crime in Scotland".

Is the Ministry of Justice wrong?

Alan Johnson: I am not going to respond to a quote taken out of context from a letter. We are all trying to find reasons why the Scottish model should not be considered sacrosanct, so here are the facts. Twenty-three rapists and murderers would be free if this country adopted what the Conservative party is asking us to adopt. Conservative Members can shake their heads as much as they want, but those are the facts.

The second issue relating to the comparison with the Scottish model is that that model also proposes that the records of those not convicted should be initially retained for three years, as opposed to six. However, at the end of that period the Scottish courts have the power to extend the retention period for successive increments of two years at a time. Those, like the Conservative Opposition, who have argued for the Scottish model to be adopted here have done so on the basis that they oppose the indefinite retention of DNA records of those who have committed no crime—the "innocent", to cite their amendment. However, in advocating this model, they are in fact arguing in favour of a system that can retain the DNA records of innocent people indefinitely.

Finally, under Scottish legislation, it is not just the DNA profile that is retained, but the DNA sample—the actual genetic material. For all those convicted, it is retained for at least 20 years. For those arrested but not convicted of serious offences, it is retained initially for three years, but potentially for longer should the courts exercise their power to extend the retention period. Under our proposals, as I have mentioned, this material must be destroyed within six months.

I make no criticism of the model adopted in Scotland—*[Laughter.]* I have made only mild criticisms of it. We have separate legal systems and, on this sensitive issue, I shall not proselytise on what is in the best interests of the Scottish people. I am here to talk about what is in the best interests of England and Wales. I believe that the framework we propose is proportionate, led by the best available evidence and guided by public opinion and the professional judgment of the police.

Michael Connarty: I know that my right hon. Friend is trying to be fair to the present Government of Scotland, which is now an SNP minority Government. A plea of mitigation from some of us in Scotland is that we would rather see the system he is introducing. For example, the murder of a dear and close cousin of mine has been, as yet, unsolved for 20 years. I would like to see a system where criminals can be screened, so that we might find the perpetrator. I ask my right hon. Friend please to consider giving advice to our colleagues in Scotland to think again and to bring in a system like the one that he is proposing.

Alan Johnson: The Association of Chief Police Officers in Scotland makes the same point, as do many people in Scotland. My point is that the Government at the time was a Labour-Lib Dem coalition and there was no research to go on. The introduction of the three-year limit was not based on any research, because the research did not exist. The research now suggests that the hazard curve does not run out in three years—people do not become as likely as the rest of the population to be arrested again if they are arrested but not convicted—but after six years, and we believe that that is a conservative estimate.

I also think that it is wrong to keep the genetic material. For that reason, and for all the other reasons I have mentioned, the Opposition are absolutely wrong to seek to adopt the Scottish model under this Bill.

Mr. Gordon Prentice: Why is it, then, that we have received a briefing from the Equality and Human Rights Commission, which will be aware of the research to which my friend has alluded, advising us that if my friend's proposals go through,

"the Government is likely to be in breach of Article 8 of the Convention and be acting unlawfully"?

How come the commission has got it wrong?

Alan Johnson: Do not ask me why the commission has sent letters to Members suggesting that. Of course, there are profound misunderstandings on this point. There are profound misunderstandings among those who sit on the Opposition Benches. Let me give one example of such a misunderstanding from the hon. Member for Ashford, who stated a while ago—he has not repeated it since, so perhaps he now understands—that Scotland had a better success rate than England. He said that he had read the statistics from the 2006 national DNA database annual report, which showed that the Scottish DNA database had a 68 per cent. success rate while that in England and Wales had only a 52 per cent. success rate. I trust that he has since found out that he was not comparing like with like. In Scotland at that time, they were able to compare the matches with the crime scene and the crime scene with the individuals. In England, we had only half the story in 2005. Now we have the whole story. The annual report for 2009 will show that the success rate in England and Wales is 13 per cent. higher than that in Scotland.

There are an awful lot of misperceptions about this, and all I know is that this Parliament must make up its own mind. It will be bombarded with evidence from all sides and with evidence and pleas from the victims of crime. I believe that on the basis of the evidence and research that is now available, we should certainly not adopt the Scottish model, and should adopt the measures set out in this Bill.

Keith Vaz *rose—*

Alan Johnson: I shall give way one last time, because it is my right hon. Friend.

Keith Vaz: May I come to the defence of the hon. Member for Ashford (Damian Green)? A few weeks ago he produced some interesting research about the postcode lottery. Depending on where people lived, they had their DNA removed from the database or they did not. Surely the proposal alluded to by Peter Neyroud—that one body should look at the issue of retention, rather than 43 chief constables—may well be more attractive. He would still be able to produce his guidelines, but there would be one set of certain facts and criteria, rather than 43 chief constables'.

Alan Johnson: As always, my right hon. Friend makes an important point. As I said, we need to look at the system to replace the current postcode lottery or any other type of lottery. It is not right, and we are suggesting that we amend that in the Bill.

Tony Baldry (Banbury) (Con): Will the Home Secretary give way?

Alan Johnson: No, I am not giving way again. *[Interruption.]* The peroration is over. This can hardly be called a peroration.

Along with measures to curb antisocial behaviour and gang involvement among young people, and to cut police bureaucracy and grant greater protection to victims of domestic violence, the Bill will bring greater protection and peace of mind to the public and make our streets safer. I commend the Bill to the House.

4.26 pm

Chris Grayling (Epsom and Ewell) (Con): As a typical Bill at the tail-end of a Parliament, this had all the potential to be a doggy-bag of a Bill, with a combination of leftovers from what the Government have been doing right across the Parliament, a last-gasp attempt to win support from some frustrated groups ahead of the general election—the kind of Bill that should be relatively uncontroversial and which, given the Government's record, would probably turn out to be pretty meaningless as well. But as always, the Government have left one big sting in the tail. For that reason, we will not stand by and allow the Bill to pass through Parliament before the election.

It is nice to have a debate on a real point of principle! That is what we will debate this afternoon. Unless the Home Secretary finally accepts that his proposals on the DNA database are opposed across the House and unless he accepts that things will have to be different, we cannot support what he is doing. His remarks, if anything, have further confused rather than clarified both his position and the debate.

Tony Baldry: Not only is it a last-gasp Bill, but the Home Secretary could not bring himself to brief the House on some of its provisions. There was not a word

[Tony Baldry]

on wheel-clamping, and when I intervened kindly to assist the Home Secretary to comment on wheel-clamping, I was uncharacteristically and uncharitably slapped down.

Chris Grayling: My hon. Friend is right.

Fiona Mactaggart: I do not understand why the hon. Member for Banbury (Tony Baldry) says that nothing was said about wheel-clamping. I recall intervening on the Home Secretary to ask when proposals on wheel-clamping would be introduced. He did exactly what the hon. Gentleman says he did not do.

Chris Grayling: That will be an interesting subject for debate in the Tea Room later. We were so confused by some of the Home Secretary's remarks that I am not entirely surprised that my hon. Friend may have overlooked a comment slipped in. I leave it to him and the hon. Lady to discuss what really happened.

The Government's track record of running the Home Office has been a chapter of disasters. Successive Ministers have struggled to get to grips with the challenges that we face and the briefs that they have had. Time and again they have failed to do so. They even tried splitting the Department in half to make things easier, and still it did not work. We have had fiasco after fiasco—the foreign prisoner releases, yobs to be marched to cash points, illegal immigrants working in the Home Office canteen, and the abortive attempt to merge police forces, yet under the Government's stewardship we have seen Britain become a more violent society.

Last year more than a million violent crimes were recorded by the police. We have seen antisocial behaviour become more and more endemic in communities throughout the country. We have seen our police spending more and more time on process rather than policing. All that has happened while the principles on which our criminal justice system is founded have been steadily eroded. This is a Government who do not believe that someone is innocent until proven guilty, who do not understand how much damage is done to the principles of democracy when traditional freedoms are curtailed in the name of security, and who knowingly allow their tough new anti-terror powers to be used for routine policing. In many ways it is not surprising that the Bill is a collection of odds and sods, combined with yet another failure to understand the importance of civil liberties. There is no vision and no strategy—more evidence of a Government who are out of ideas and out of time.

The Bill has aspects on which we can agree, however. The measures on stop and search are a step in the right direction, and they come after years of pressure from Conservative Members on the scale of police bureaucracies. We do not actually believe that our police officers like spending time in police stations in the warm; we think that they want to get out on to the streets and do the job, but that the bureaucracy that this Government impose keeps them in police stations.

The right hon. Member for Leicester, East (Keith Vaz), the Chairman of the Select Committee on Home Affairs, made a valuable point: a number of changes could be made without primary legislation. The Government have a habit of introducing laws in this House to create a headline—to create a sense that they are doing something—but what that does is create more and more laws. There is then more and more confusion, and, actually, we add to the bureaucracy that our front-line professionals end up dealing with.

Even the proposals on stop and search do not go far enough, though, because the Bill will only reduce the procedure's reporting requirements. The Home Secretary struggled with, and was unclear about, the issue of four people in a car who are subject to a stop-and-search procedure; in fact, he even appeared to suggest that if there was no car, the form for a car would still have to be filled in. The reality is that the current process is much too complex.

I do not know whether the Home Secretary has ever stood on the street with a police officer who is trying to grapple with current stop-and-search procedures. Why does not the Home Secretary adopt our proposals to scrap the form altogether? Officers could radio in the basic search details, creating a taped or transcribed police log at the centre without the need to fill in official forms. The Bill simplifies an extremely complex situation; it does not make the scale of change that we could genuinely make.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): Does the hon. Gentleman not acknowledge that we introduced stop-and-search recording because the procedure was being used indiscriminately against ethnic minority communities throughout the country, especially in London, and that we still need to monitor how that procedure is being used?

Chris Grayling: The hon. Lady makes a good point. It is one reason why we have been so concerned about the indiscriminate use of section 44 of the Terrorism Act 2000, which the courts have now ruled illegal. That section included anti-terror powers that had been used for purposes not related to terrorism, and that has happened too many times under this Government. We are not arguing for the lack of any record at all; we are arguing that it is possible to go further than the Government. Our work should be about simplifying the job for our professionals on the street. We put them in a difficult position when we leave them filling out forms on the streets, and we could go further. It is a shame that the Government remain unambitious in that respect.

The Home Secretary himself admitted recently that the

"bureaucracy dragon had yet to be slain",

and the Bill would barely do anything to change that. Worryingly, there is evidence that things are getting worse, not better. Asked whether officers were spending more time on patrol now than two years ago, Jan Berry, whom the Government brought in as their reducing bureaucracy advocate, said:

"If you talk to police officers they would say it has remained the same or got slightly worse",

which is worrying. She said also that "progress had been slow" on reducing red tape. We already have a clear sense that the Government's efforts are half-hearted, and the Bill will not do much to change that.

We have only to look at the Government's damp squib of a policing White Paper to see the extent to which they have run out of ideas and direction. After all, they do not really believe in the existence of excessive

police bureaucracy. Has the Home Secretary, unlike the Justice Secretary, ever been into a police station and gone through their filing cabinets, which are full of the forms that officers have to fill in to deal with cases? Information is duplicated, and they have to write down the same things time and again. If the Home Secretary has not, I suggest that he does, because he will be genuinely shocked at the burden that we place on our police officers. That really needs to change, and he certainly needs to tell his friend the Justice Secretary before he makes comments that, frankly, I found insulting to our police officers.

The Bill contains a provision requiring a court to impose a parenting order when a young person is found to have breached their antisocial behaviour order. When will the Government realise that more of those top-down solutions is simply not good enough. The courts can already impose a parenting order on the breach of an ASBO. The problem is that ASBOs themselves do not work. The process of getting an ASBO is so complicated. They take months to introduce, a huge amount of time is spent by local officials, there are multi-agency meetings, and, for many persistent offenders, they end up being a badge of honour. Almost two thirds of under-16s breach their ASBOs. What we need in this country is a fresh approach to tackling antisocial behaviour—

The Minister for Borders and Immigration (Mr. Phil Woolas): Go on then.

Chris Grayling: I shall be delighted to. I hope that the Minister's Government will call the election soon, that there will be a change of Government and that we can get on with the job of making the changes that Britain needs. What we need are instant responses to antisocial behaviour; we do not need to let offenders get away with it again and again. *[Interruption.]*

Alan Johnson *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. I say to Members on both Front Benches, particularly the Government Front Bench, that interjections from a sedentary position are not allowed. If Ministers want to intervene, they should get to the Dispatch Box and do so in the normal way, so that we can have a sensible debate. I think that the Secretary of State was about to intervene.

Alan Johnson: Will the hon. Gentleman confirm that one of the measures that he believes should replace ASBOs is the confiscation by police officers of children's iPods and mobile phones?

Chris Grayling: I suggest that at some time the Home Secretary go and look at the detailed statistics behind offending. He will know that the peak age for antisocial behaviour is 15; the age of onset for antisocial behaviour is 12. The right hon. Gentleman's Government came up with an option to march yobs to cash points. Most of us who are parents know that 15-year-olds do not have cash cards.

The Government might get their policies right if they did the detailed work and did not come up with ideas utterly unrelated to the lifestyles of the young people who commit these acts of antisocial behaviour. When we publish our detailed proposals, the Home Secretary will see that our approach will make a difference, unlike the record of the Government in the past 12 years. Their approach has made very little difference to communities up and down this country. In some cases, it has led to a shocking abuse of the lives of innocent people.

The Bill also seeks to create a new offence of possession without authorisation of a mobile phone, or parts of one, in a prison. We support that measure, but why has it taken so long for the Government to realise that they need to address the problem? Yes, phones are banned from prisons, but thousands have been found in the past year, hundreds in high-security prisons. The number of phones found in prisons has more than tripled; in 2008, more than 8,000 mobile phones and SIM cards were confiscated in prisons in England and Wales, compared with just over 2,000 in 2007.

In 2007, a convicted al-Qaeda supporter was caught using a mobile phone to build a website from inside a high-security prison. A report by the counter-extremism Quilliam foundation wrote that in 2007 Tariq al-Dour, jailed for running jihadist websites from London, was caught accessing the internet from Belmarsh prison using his laptop, provided by the Prison Service, and a smuggled mobile phone. Furthermore, the extremist cleric Abu Hamza is thought to have got an audio message out of Belmarsh that may have been recorded on a mobile phone and passed to supporters outside. *[Interruption.]* Government Ministers—*[Interruption.]*

Mr. Deputy Speaker: Order. Perhaps Government Front Benchers did not hear what I said a moment ago. They listened to the Secretary of State with respect, and they should do the same for the Opposition spokesman.

Chris Grayling: The Minister for Borders and Immigration is very excited this afternoon. He is particularly excited to find out what we will do to tackle those problems, and I hope to give him the opportunity to ask questions from the Opposition Benches after 6 May, or whenever it is. At that point, we will be delighted to set out our policies. For now, however, we are scrutinising his Department's record, which is lamentable in this area. If he thinks that these cases are isolated, he should talk to some of the families involved in some of the highest-profile criminal acts in this country in recent times, including brutal murders. Those families have been at the raw end of bullying from within prisons, on Facebook and other networking sites, and have been extremely distressed as a result. There are things happening in our prisons that are not acceptable, and it is for the Ministry of Justice, to which I hope they will be making representations, to take stronger measures to prevent prisoners from gaining access to electronic equipment in prison to perpetrate activities of a different sort.

David T.C. Davies (Monmouth) (Con): I am sure that most people in the House agree that the measure is a very good idea. However, is not the real problem the fact that at the moment prisoners carry out assaults on prison officers and are very rarely prosecuted for it? If they are, the amount added to their sentences is so minimal that it makes no real difference in overall terms. What on earth is the point in passing this legislation if no real sanction is to be applied? Does the shadow Secretary of State agree that sanctions must be heavily applied to those who are caught?

Chris Grayling: My hon. Friend makes an extremely important point. He will know that I have also expressed the view that how we treat assaults on our police officers is shamefully lax. In many cases, such assaults are dealt with using virtually no penalty at all. That sends out all the wrong messages. It is not acceptable not to protect our criminal justice professionals against the actions of those who would attack them.

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): Will the hon. Gentleman confirm that in the past two years, when I was prisons Minister at the Ministry of Justice, we signed with the Prison Officers Association an agreement on zero tolerance on attacks on prison officers? I will not take lessons on that, because there has been co-operation on the issue. The Government will not tolerate attacks on prison officers. Furthermore, they have put massive investment into the mobile phone problem, with body orifice security scanner—BOSS—chairs and extra security measures. They have looked at blocking measures and security with police forces at a local level.

Chris Grayling: There are only two points to make in response to that. First, will the Minister then explain why the Government have not taken steps to provide greater protection to our police officers? Secondly, if the Government have such a good record, why do they need to introduce measures in this Bill at all? Why have they not already succeeded in dealing with the problem?

Mr. Hanson: On the first point, attacks on police officers are intolerable. On the latter point, we have acknowledged that there is a loophole. Having looked at blocking measures and considered investment in BOSS chairs in prisons, and having taken security measures, including with the police, this is another measure to help to tighten up a difficult situation. I cannot guarantee that no mobile phone will ever be smuggled into prison, but there will be an extra penalty for people who are found in possession of one.

Chris Grayling: The point that the Minister misses is that we are 12 years into a Labour Government. They have had year after year to deal with this problem, and now they are trying to do so in a last-minute Bill in the last hurrah of their third term. Nobody will take them seriously when they say that this is a big priority, given that they have missed all the opportunities they have had over the years to do something about it before now.

Mr. Hanson: Will the hon. Gentleman accept that mobile phone technology changes year on year, and that the mobile phone that he used in 1997 is slightly different from the one that he uses today and will be slightly different from the one that he uses next year? The technology changes and we have to keep on top of it; this offence will help to support that initiative.

Chris Grayling: The reality remains that this Government have been in power for 12 years. Year after year, the number of mobile phone seizures in our prisons has risen rather than fallen. It is all well and good the Government saying, as a last hurrah three years after some of these things happened, that they are introducing these measures. That does not create the sense that they have sought to stamp out something that has been a problem for many years.

We will have to look carefully at how the proposed domestic violence protection notices and domestic violence protection orders will work in practice. Concerns have been raised about the proposed breadth and scope of those civil measures. It is important that they are not used as inappropriate substitutes for pursuing proper sanctions in the courts against perpetrators of domestic violence. None the less, there is agreement across this House that domestic violence remains an issue of very great importance, and it is right and proper that we should take measures to try to deal with it.

We welcome measures to clamp down on wheel-clampers. I am not usually one to argue for greater regulation of business, but this business deserves everything that is coming to it. While no industry is ever all bad, the wheel-clamping sector has acted with little regard for the public and often in a way that is not far short of the tradition of the highwayman. It is time that those who impose swingeing charges on the public, with little or no accountability in doing so, face tough restraints on their activities. Not all companies involved in the sector are bad, but there are enough to have brought it discredit and for there to be a genuine need for tougher regulation.

Those are measures that we would happily see passed into law, but none of them is of sufficient significance to get us to back away from the key point of principle that divides us from the Government—the DNA database. The current system is all wrong. I am seldom a fan of the European Court, but on this matter it has clearly got things right. We have, for years, been storing the DNA of innocent people on our national DNA database. People who go into a police station voluntarily to help with an inquiry, like my hon. Friend the Member for Hammersmith and Fulham (Mr. Hands), find themselves on the list. People who are briefly questioned in a police station about a crime that they did not commit find themselves giving DNA to be stored for the future. People who are arrested on one of those occasions when the police hugely overreact, as in the case of my hon. Friend the Member for Ashford (Damian Green), find their DNA being taken, and few succeed, as he did, in having their DNA removed.

Indeed, data that we recently obtained revealed that innocent people trying to have their DNA removed from the database face a postcode lottery. Some police forces refuse to remove any records at all once a case is closed and the person declared innocent, while others comply with 80 per cent. of requests for deletion. On average, only 22 per cent. of requests to have DNA removed are granted.

Keith Vaz: The shadow Home Secretary is probably aware that tomorrow the hon. Member for Hammersmith and Fulham (Mr. Hands) is giving evidence to the Select Committee on this very issue. Whatever system is proposed, it is better that one authority, rather than 43 chief constables, should deal with applications for removal. There is a lack of clarity at the moment, and that is part of the problem. However, does the shadow Home Secretary agree, and will he confirm whether this is Conservative party policy, that instead of leaving it to local discretion, there should be national guidelines, with one authority, not 43?

Chris Grayling: I am sympathetic to what the right hon. Gentleman says, although I would like to wait to see the recommendations that his Committee makes at the conclusion of its investigation. Some decisions should certainly be taken nationally rather than locally. I am open to considering what he says, and I look forward to reading his Committee's report and the transcripts of its proceedings.

David Davis: Although the Chairman of the Home Affairs Committee made an important point, he did not mention the fact that this is not just a question of one authority, but of an independent quasi-judicial authority. One of our difficulties is that the motivation of police chiefs and chief constables is to minimise crime at almost any cost. In my area—it is also the Home Secretary's area—of Humberside, we have a good chief constable who is very determined, but data are almost never handed back. The person who takes such decisions must have a more balanced view of the security regarding individuals and their rights.

Chris Grayling: My right hon. Friend makes a good point. If we were to adopt the Scottish system, some concerns might be allayed, as a number of decisions to remove would be taken automatically.

There is a postcode lottery. Some people find it very difficult to get their DNA removed from the database although, interestingly, some convicted offenders, such as the Leader of the House, seem to get away without having their DNA taken at all.

The Government have been completely cavalier with the traditional rights and liberties of this country and, on the DNA database, they have got things plain wrong. This is not just about what is right and wrong for civil liberties. The DNA database has grown rapidly in recent years. Nearly 250,000 subject profiles were loaded on to the database in 1998-99, but that figure has now more than doubled. By October 2009, there were 5.9 million individuals' DNA samples on the database, making it the largest in the world per head of population. One would have expected the number of detections and convictions using DNA to have increased at the same time, but the opposite has been the case, both in overall terms and proportionately. As the number of DNA records has increased, the number of detections has fallen from a peak of 41,148 in 2006-07 to 31,915 in 2008-09—a drop of 22 per cent. There is no evidence that building a bigger and bigger database will help to solve more and more crimes.

Grudgingly, the Government have accepted over the past few months that they cannot win the argument on DNA. After the European Court ruling that a system that keeps innocent people's DNA indefinitely is illegal, Ministers first proposed to keep records for up to 12 years. When that was resisted, they introduced their current proposals for a six-year limit. More importantly, however, they still want to keep a DNA record of everyone arrested by the police, regardless of whether they are charged or convicted, and regardless of the severity of the offence under investigation. We will not accept that.

We have argued consistently for the approach that is in use in Scotland, under which DNA from people who are neither charged nor convicted for minor offences is not retained. The only exceptions arise when the offences are of a serious sexual or violent nature, in which case records may be kept for up to three years, and for a further two years with the agreement of the Scottish equivalent of a magistrate. Such a system might provide the independence of judgment that my right hon. Friend the Member for Haltemprice and Howden (David Davis) wants.

We think that that system strikes the right balance, so a Conservative Government would adopt the Scottish system for England and Wales. We will not accept the measures set out by the Government in the Bill, which are illiberal, inconsistent with the values of our judicial system and our nation, and opposed by the majority of the public.

The Home Secretary attacked the Scottish system, although he then said that he would not criticise it. He cited unpublished statistics to defend his view, but totally ignored my intervention about independent research. Such research was carried out for the Scottish Executive by Professor James Fraser, the director of Strathclyde university's centre for forensic science. It was reported in July 2008, and Lord Bach, a Justice Minister—the Home Secretary's Labour ministerial college—said last summer of Professor Fraser's report:

> "He did not uncover any evidence to suggest that this approach to retention has caused any detriment to the detection of serious crime in Scotland."

I am afraid that I would rather take my views from independent research provided to the Scottish Executive than from the Home Secretary himself.

Alan Johnson: Of course that approach would not have led to any such detriment, and I presume that that research was done two years after it was introduced. That is not the question. If we believe that those who are arrested but not convicted have a greater propensity to be re-arrested, as the hon. Gentleman obviously does given that the Conservative policy is to retain data on the DNA database for those accused of committing serious offences, the question is whether their data should be retained for three years or six years. The quote that he gave does not relate to that matter at all. Other independent, peer-reviewed evidence and research that has come along since suggests the need for a six-year period, and he simply cannot ignore it.

Chris Grayling: The Government have set great store by the evidence of the Jill Dando Institute, which the Ministry of Justice has again quoted. It stated that

> "the seriousness of the initial offence cannot predict the seriousness of any potential future offending".

The Home Secretary bases his argument on an intellectually reasonable position, but the logic of what he says is that we should have a national DNA database. We must accept either one side of the argument or the other. We happen to believe that we should protect civil liberties in this country, that there is a balance to be found and that the Scottish system reflects that balance. Of course we need to be robust in the fight against crime, but we also need to be robust in defending the liberties and values that underpin our society. We are not willing to stand idly by while the Government make yet another attempt to force through a scheme that we believe to be wrong for this country.

When I debated the Queen's Speech with the Home Secretary in the House back in November, I warned him that our position had not changed and that we

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would not accept what the Government had proposed. There are things in the Bill that we would otherwise welcome. A Conservative Government would certainly take steps against rogue clampers and seek to do more to combat domestic violence. There are things in the Bill that are meant well. Given the usual Labour baggage that comes with them I am sceptical about whether they will actually make a difference, but they are superficially innocuous. However, the DNA issue is a real point of principle. We will not back the Bill as long as the DNA proposals remain in it. In Committee, on Report and in the other place we will again seek to table amendments that would implement the Scottish system in England and Wales.

Alan Johnson: The hon. Gentleman believes that the issue of principle and civil liberties is important. Does he believe, therefore, that it was wrong to convict 23 killers and rapists on the basis of evidence that he believes should not have remained on the DNA database? Does he believe that that was a breach of their civil liberties?

Chris Grayling: In reality we do not know the evidence behind the Home Secretary's comments, and there is no such thing as a perfect system. The jury system will not always get it right, but we do not argue that we should not have a jury system. We believe that we should stand by the principles of our democracy and the traditions of our criminal justice system, and we do not accept the Government's view.

Chris Huhne: The Home Secretary really must not be allowed to get away with his last intervention. The Association of Chief Police Officers statistics that he refers to are for 2008-09 database matches, and they refer not to any criminal convictions but only to matches with a "direct and specific value" to the investigation. In the absence of a conviction, there is no way of knowing whether the matches between the database and the cases concerned were ultimately innocent or whether they provided evidence of guilt. The Home Secretary is eliding two issues and talking about arrests leading to evidence that there should be re-arrests, not to convictions. A re-arrest is not evidence of a conviction.

Chris Grayling: The hon. Gentleman makes extremely valuable points. The Government have become utterly confused on this issue, and Labour Members will find their position hard to justify. There are Members on the Labour Benches who have campaigned over the years in defence of civil liberties and for the traditions of this country's legal system. Ironically, they have looked on Conservative Members as the ones who are unduly authoritarian. The worm has clearly turned.

The DNA issue is a real point of principle, and we will not back the Bill as long as the DNA proposals remain in place. We will table amendments in this House and the other place to seek to implement the Scottish system, and we will challenge Ministers again to accept a proposal that we believe is fair and proportionate. We will seek to win that argument this time and persuade them that we are right and they are wrong. I hope that we will find support on all Benches in both Houses, but in the end, if the Government will not concede and Ministers will not accept what we propose, we will not accept the Bill. In the final days before a general election, there will be no deals to be done. If we have our way, the Bill will not pass, and then it will be for a Conservative Government to make rapid reforms to how our DNA database works and to ensure that its use is proportionate and that we do not continue to store the DNA of people accused of minor infractions who, in reality, have done nothing wrong.

4.54 pm

Keith Vaz (Leicester, East) (Lab): The hon. Member for Epsom and Ewell (Chris Grayling)—the shadow Home Secretary—and the Home Secretary agree that there are important points of principle in the Bill, and therefore it is right that Parliament has a full and frank discussion of the issues contained within it, especially with regard to the DNA database, which I will address at the end of my speech.

Like the shadow Home Secretary, I welcome a number of the measures that the Home Secretary has put before the House. First, the Government's decision to allow compensation for the victims of terrorist outrages abroad and bring provisions into line with the criminal injuries compensation legislation for victims in this country is most welcome. I pay tribute to the work of so many Members, in particular my right hon. Friend the Member for Makerfield (Mr. McCartney), in convincing the Government of the need to introduce such measures. All I ask is that the new system be as transparent and efficient as possible. I receive many complaints from those who apply for compensation under the current criminal injuries compensation scheme that it takes too long for them to get compensation, so I hope the bureaucracy that will inevitably go with the expenditure of public money will be as simple as possible, because of course we are talking not about ordinary criminal injuries but about very serious injuries.

Secondly, I welcome what has been said about wheel-clamping. Again, the measures are in line with a number of the recommendations made by the Select Committee on Home Affairs over a number of years. Wheel-clampers have felt able to move in and cause innocent people great difficulty. I admit that I was wheel-clamped once, many years ago—I declare that interest—but it is important that we try to regularise the situation.

I hope that when we get to Committee, we will look at the situation—I will come on to this when I talk about the database—of those who have found that information about them that has been stored on a Government computer has ended up not necessarily with wheel-clampers, but with those who are able to issue parking tickets to those who are following Government advice. I am referring in particular to the case of a member of the Select Committee, the hon. Member for Colchester (Bob Russell), who is not in the Chamber—no doubt he is busy in his constituency.

Taking Department for Transport advice on travelling on our motorway system, the hon. Gentleman pulled over because he was feeling tired, and parked in the car park of a Welcome Break service station. He was advised by the Department to rest, so he parked and went to sleep for a while. When he woke up, he drove on to his next engagement. A few days later, he received notice of a fine for parking in the car park for more than two hours. He found out, through his own investigations,

that the company concerned obtained his vehicle registration number from the Driver and Vehicle Licensing Agency. It passed the information to a private company, which then issued a fine.

Those who know the hon. Gentleman will know that he would not keep matters to himself. He challenged the decision, and the parking ticket has now been quashed. The Committee has agreed to investigate the matter, but I draw it the Home Secretary's attention because it is another example of the private sector being involved but not responsible.

Tony Baldry: I agree with everything the right hon. Gentleman says, but the difficulty is that clauses 39 and 40 simply put companies on the same basis as individuals regarding wheel-clamping licensing. Last year, the Home Office issued a number of press releases saying that it was going to cap the fines and introduce an appeals system, and that there would be no double-dip—in other words, fines for both parking and towing away—but none of those measures is in the Bill. Does he agree that we need to ensure that Ministers give some very firm undertakings in Committee that they introduce a code of conduct to impose such regulations on wheel-clampers? Otherwise, we have a headline but no substance to those clauses.

Keith Vaz: I am sure that the hon. Gentleman's Whip, the hon. Member for Reading, East (Mr. Wilson), has noted that bid to serve on the Committee, which would be the best way to ensure that those matters are raised there.

The third aspect of the Bill that I am pleased with are the provisions on antisocial behaviour. The Home Secretary has made this a priority for the Home Office. It is useful for politicians to say that they are against antisocial behaviour, but the Home Secretary has gone out of his way to ensure that his Department has treated this issue sensibly and given it priority. I liked what he said about the Fiona Pilkington case, because it is easy to accept that the relationships between various agencies are going well, but in that case there was clearly a breakdown in communication between the police and other agencies, which meant that the reports made by the Pilkington family were not acted on as quickly as they should have been. Every hon. Member will have had constituents coming to their surgeries and complaining about antisocial behaviour, and we write to the police and local authority asking for something to be done urgently. Our wish is to ensure that the system works. Legislation is fine, and new orders will be great, but we need to ensure—I think that the Home Secretary "gets this"— that all the agencies act together quickly so that if people complain to the police they feel that something positive is being done quickly.

Mr. Colin Breed (South-East Cornwall) (LD): I agree with the right hon. Gentleman about the need for agencies to work together. In my part of the world, the police have been praised by many people for that. The problem has been getting the Crown Prosecution Service to pursue cases. The police and other agencies—and I as a Member of Parliament—have been frustrated that we cannot seem to get the CPS to take these matters seriously. It appears to want to deal with bigger matters, as though it thinks antisocial behaviour is beneath it. That is wrong, and we need to ensure that cases are followed through.

Keith Vaz: The hon. Gentleman is right, and the victims also need to be kept informed. The decisions are taken by the agencies, but no one bothers to tell the people who complain. The best way to build confidence in the system is to ensure that complaints are investigated and, if sufficient evidence is found, a prosecution is brought, justice is done and the victims are informed in good time to attend court and make their views heard. We need to ensure that the CPS does its job effectively.

I am concerned about two areas—stop and search, and the DNA database. As far as stop and search is concerned, it is right that we take every opportunity to reduce the amount of bureaucracy with which the police have to battle. I am sure that senior police officers have been telling the Home Secretary that since the very moment he took office. Probably every Home Secretary in the 23 years that I have been in this House has talked about the need to reduce police bureaucracy and release officers to the front line to deal with the issues that concern members of the public—our constituents. I am sure the Home Secretary will find, on reflection, that some of the requirements imposed by this Government will need to be removed—so we have added to the bureaucracy of the police, although we have also provided more resources for the police than any other Government in history.

The Home Secretary is right to use this Bill to reduce police bureaucracy, because that is in line with what Sir Ronnie Flanagan said in his important report two years ago, and with what the Home Affairs Committee said in our report "Policing in the 21st Century". It also takes on board the comments made by the very robust and clever Jan Berry when she presented her report to the Home Secretary. There is no need for the Home Secretary to be embarrassed by the fact that someone like Jan Berry is prepared to make radical proposals, because they are in line with what Ronnie Flanagan said, with what the Committee said and with what the Home Secretary in fact believes.

I felt a little concerned about the fact that the Home Secretary said, "Well, it takes a long time to get things rolling." Why does it take so long? I wrote to the previous Home Secretary following a visit that my hon. Friend the Member for Burton (Mrs. Dean) and I made to Staffordshire police headquarters. We were told about a form, which the force expects its police officers to fill in, that will reduce from 24 pages to one. I thought that that was excellent, so I wrote to the previous Home Secretary and said, "This is a great idea. It's best practice, so don't let's just circulate it; let's have it adopted. Let's just say to chief constables, 'This is a wonderful way of saving paper'—it reduces 24 sheets of paper down to one—'and saving time, which means less bureaucracy and more police officers out on the beat, rather than filling in forms.'"

The Home Secretary gave me a Home Secretary's response today—that it takes time to get things done—and I regret that. If a good idea is being used by one police authority to save time and reduce bureaucracy, it ought to be used all over the country. I still do not know whether the Staffordshire example has been followed. I raised the matter with the Home Secretary when he gave

[Keith Vaz]

evidence to the Select Committee—the hon. Member for Monmouth (David T.C. Davies) was there when we had those discussions—and with my right hon. Friend the Member for Redditch (Jacqui Smith). If it has been adopted across all 43—

Mr. Hanson *indicated assent.*

Keith Vaz: The Minister is nodding cheerfully to say that the Staffordshire example has been adopted. If so, that is good news, but it has taken us 18 months from the day that we visited Staffordshire.

Chris Grayling: Let me add a word of caution: there are a number of things which are supposed to have been abolished, but which, when one goes out with police officers, one finds have not been. For example, the foot-long stop-and-search form and the full stop-and-account form are still being used in plenty of places around the country. I would therefore advise the right hon. Gentleman to be cautious about accepting absolute guarantees from his Front-Bench colleagues that the 24-page form has gone.

Keith Vaz: I can assure the shadow Home Secretary that I will be writing to the Home Secretary to confirm that what I have described is the case. Of course I accept the assurances of Front Benchers—they are right hon. and hon. Members, and we cannot possibly not do so—but just to be on the safe side, I will write and confirm that point, and perhaps even get the date on which all that happened.

We give the Government full marks for their intention to try to reduce bureaucracy, but let me say this to the Home Secretary. I know that we are near a general election, but both Sir Ronnie Flanagan and Jan Berry, as well as the Select Committee, in a unanimous report, have suggested that there is a need to invest in new technology and give every police officer a hand-held computer, whether that be a BlackBerry, a blueberry, an iPod or whatever—I am 53 and I do not know what the technology is; I just know whether it works when I switch it on and I can communicate. We should give the police what they need so they do not have to run back and take statements, but can take them from witnesses at the scene. We should save time and reduce bureaucracy by investing in technology. That is not in the Bill, because it does not need to be—it can be done by the Home Secretary in his settlement or in his frequent meetings with the Association of Chief Police Officers—but let us get on with it.

That leads me to my last point, which is about the DNA database and the reason why, although I support much of what the Government propose in the Bill—for example, on compensation and the reduction in police bureaucracy—and do not feel that I can vote against Second Reading, I none the less cannot support them with a positive vote. I shall be abstaining, unless I can be convinced by the Minister when he winds up that I am doing the wrong thing, over the issue of the DNA database. I appreciate what the Home Secretary is doing today—he is allowing us to have a debate on this issue—but I cannot possibly support a measure that will keep the inadequacies of the DNA database for six years when I was not satisfied that they should be kept for 12 years.

I am not satisfied that the Government have dealt with the ruling of the European Court on the issue. I regret that, because there has been a long gap between the end of last year, when the ruling was made, and now, when we ought to have had a debate on the matter in Government time, rather than tying it to a piece of legislation that has so many good things in it. I want to pay tribute to the many hon. Members who have campaigned on the issue for so long—for example, my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) recently secured a debate in Westminster Hall that was answered by the Under-Secretary of State for the Home Department, my hon. Friend the Member for Tynemouth (Mr. Campbell).

The hon. Member for Ashford (Damian Green), who is not in his place at the moment, went through what I regard as the trauma of having to make a request under the Freedom of Information Act for some very simple pieces of information, including how many applications for removal from the DNA database had been made in each area. Why he had to go through all that palaver to get such simple information from the Home Office is beyond me. That is the kind of information that the Home Secretary should feel happy to publish, because he did not make the decisions; they were made by 43 different chief constables.

The Home Secretary is going in the right direction, but he has not arrived at the position in which I would like to see him and the Government. He is right to reduce the period for which such data are held, for a start; in my view, it should be reduced further, in line with the principle that innocent people's DNA should not be on the database. That is why, in our inquiry tomorrow, the Committee is taking evidence from the hon. Member for Hammersmith and Fulham (Mr. Hands), who was totally innocent of all allegations against him, as he will tell the Committee. I do not want to pre-empt his evidence, but a remote family situation was the reason why his DNA was taken in the first place.

We asked the hon. Member for Hammersmith and Fulham to give evidence not because of the family circumstances that he went through but because it took him so long to get a reply from the chief constable of the West Midlands police. In the end, he had to table a parliamentary question. Members of the public cannot table parliamentary questions to find out whether they are on the database.

David Davis: The Chairman of the Select Committee has raised a fundamental and central point—although it will look elliptical to the public—about the reticence of the Government and police authorities to put in the public domain much of the information necessary to make this decision. When Chief Constable Sims appeared before the Committee, he gave a series of comments that GeneWatch subsequently took to pieces forensically because he had conflated so many data.

A huge amount of information is involved. It is computerised, so it is by definition on a database. It ought to be available to the Select Committee and to other, academic authorities to enable us to make rational decisions both about the kinds of issue that the Home Secretary mentioned, such as hazard curves, and different strategies for minimising impingement on people's liberty while maximising effectiveness.

Keith Vaz: The right hon. Gentleman is absolutely right. The information ought to be available. When the Home Secretary and Ministers come before our Committee, as they have done whenever we have asked, they have been absolutely transparent and provided huge amounts of information, but the right hon. Gentleman is right to say that that information should be made available in the first place.

We will hear from the hon. Member for Hammersmith and Fulham. We will also hear from a gentleman from Oxford whose DNA was taken after he simply threw a bottle of water up to a protester in a tree in order to give him refreshment. His DNA was taken as a result, and he has been unable to get it removed from the database.

The Home Secretary is right: he knows that there is a problem with the current system. If there were a transparent, easy-to-understand system for applying for and getting a reply on DNA retention, people would probably be satisfied, but he has not gone far enough. That is why I am attracted by the evidence given by Chief Constable Peter Neyroud of the National Policing Improvement Agency, which was set up by this Government to be—it is a perfect function for the agency—a central authority to examine applications consistently, so that the balance is right, as the shadow Home Secretary said, and it is not just a question of what a local chief constable says.

What is interesting about what the right hon. Member for Haltemprice and Howden (David Davis) just said is that the chief constable of the West Midlands police—I do not know whether anyone spotted this—kept referring in his evidence to the database held by each chief constable as "theirs", as though it belonged to them. Quite frankly, it does not, in my view. The best way to make things consistent is to have one authority to handle them.

Kate Hoey (Vauxhall) (Lab): Is the right hon. Gentleman aware, and does he agree, that measures such as the ones that we are discussing will only add to the distrust of police in many inner-city constituencies such as mine, where it is greater, although decreasing? Many young people in inner-city areas are arrested frequently, often when they have not done anything, and keeping their records will only add to the existing distrust.

Keith Vaz: I am happy to accept that from my hon. Friend. She represents Brixton in the House. As I mentioned earlier, my hon. Friend the Member for Hackney, North and Stoke Newington stated in her debate that 77 per cent. of young black men were on the DNA database. That is a serious matter. I know that the Home Secretary had a lot to cover today, but he did not address that. The disproportionate nature of those statistics cannot be dealt with by putting everyone on the database. Who says that that would be a bad idea? None other than the father of DNA, Sir Alex Jeffreys. He thinks it is wrong to keep the DNA of innocent people on the database. He, too, will give evidence to the Select Committee. If the person who discovered this process and is renowned as something of a genius on these issues says that to the Government, I am surprised that they have not accepted his views.

David T.C. Davies: The Chairman of the Home Affairs Select Committee will also know that four fifths of the people on the DNA database are male. Does this suggest that there is some kind of anti-misogynistic view among the police and the judicial system that makes them single out men, arrest them and take their DNA? Of course not. Is not the reality that the whole process is colour-blind—indeed, blind to sex and colour? Those who get arrested get their DNA taken, whether they are black, male, Asian or anything else.

Keith Vaz: The hon. Gentleman is a distinguished member of the Select Committee, and his questions are always incisive. I have to take issue with him on this point, however. The figure of 77 per cent. represents a huge and disproportionate number of young black people. I understand his point, but if the process is having a disproportionate effect on a section of the community, we need to be careful. This is another argument that we are putting forward.

Ms Abbott: On the point about disproportion, my right hon. Friend will be as aware as I am that the number of black youths on the DNA database is disproportionate to the amount of convictions. That is the key correlation. Regarding the Home Secretary's proposals for removing innocent people from the DNA database, I have run clinics with Liberty in Hackney to help young people to get their DNA off the database. The criterion of unlawful arrest that the Home Secretary has put forward would not help most of the people I deal with. Some of them were bystanders when they were arrested; others had simply gone into shops to return jumpers when they were arrested. Although the principle of having criteria is good, the criteria that he is outlining are completely inadequate for dealing with the sporadic hoovering up of innocent people's DNA that is going on.

Keith Vaz: I agree. My hon. Friend was not here when I paid tribute to her work in this area.

I will abstain in the vote on Second Reading today because the Home Secretary has not convinced me on the DNA issue. A Select Committee inquiry is also ongoing, and it would be quite wrong for me to pre-empt the conclusions in its report. I promise to place that report before the House as soon as possible—subject to members of the Committee agreeing with it, of course, because we like our reports to be unanimous. That has been the case with all but one of our reports over the past two and a half years.

I hope that the Home Secretary will have a chance to go away and do further work on the Bill before it reaches its Committee stage. There are many good points in it, and it would be a tragedy if it were lost because of this issue. I hope that it will reach its Committee stage and come back to us for its Third Reading as soon as possible, because I reckon that there are only 35 working parliamentary days between now and 31 March. Time is therefore pressing if he wants to get it on the statute book, and I hope that that can be done as quickly as possible.

5.19 pm

Chris Huhne (Eastleigh) (LD): I am always delighted to follow the right hon. Member for Leicester, East (Keith Vaz), who speaks a lot of wise words on this subject, and on many others. He has certainly elucidated matters of evidence for the House this afternoon. I cannot say that about the hon. Member for Epsom and

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Ewell (Chris Grayling), however, or about the Home Secretary. Earlier, we heard a slightly unedifying spat on whether crime figures had been falling or not. The hon. Member for Epsom and Ewell knows perfectly well that the figures that Conservative Home Secretaries were pleased to use when the Conservatives were last in government were those of the British crime survey. Those figures show incontrovertibly that there has indeed been a fall in crime. Before the Home Secretary thinks that I am sidling up to him on this issue and before he decides to take credit for this development, however, let me point out that crime has fallen in every single western European country except Belgium. I am not quite sure what the Belgians are doing wrong, but this fall is certainly not something that the Labour Government can realistically claim credit for. If the Home Office had not ended its research on model building—I am delighted to see that the Justice Department is now doing this again—it would have known that all sorts of other factors, including technology, technological development and, of course, demographic factors, play a part in the crime trends.

This is an omnibus Bill. As such, it is a random cross-section of measures that have been thrown together for no greater reason than the fact that they happened to be hanging around at the bus stop at the time when the Bill was going past. There are some pleasant-looking passengers dotted around the bus, but the overall impression is, I fear, tainted by the leering ogre picking its teeth on the front seat on the top deck—namely the Government's proposals for the DNA database. Although a comb has been raked through this beast's tangle since the White Paper, the effect is scarcely pleasing.

It is the dominance of those proposals that will determine the fate of the Bill, at least as far as Liberal Democrat Members are concerned. If the Government do not accept dramatic amendments in Committee, we will be entitled to draw the conclusion that they are merely cocking a snook at the European Court of Human Rights judgment in the S and Marper case. That would be entirely unacceptable, and we would not only oppose the Bill on Third Reading, but would do our utmost to beach it like a whale during wash-up.

I have spoken before about the ministerial tendency to overdose on legislative laxatives. This is the 69th home affairs Bill since 1997 and the 60th criminal justice Bill. The Government are the proud father and mother of more than 3,600 new criminal offences. Even those in favour of law, as I am, recognise that it is possible to have too much of a good thing. This legislative diarrhoea is, frankly, a conspiracy between Ministers who want to leave their footprints in the legislative sand and civil servants who recognise that the fast track to promotion is to spend time with Ministers discussing their pet legislative proposals.

Even for this Government, this Bill breaks new ground. It amends the Policing and Crime Act 2009, which received Royal Assent just 13 days before the current Bill was announced. The Home Office Bill team have really outdone themselves on this occasion, and I think we can be sure that there is at least one part of the public sector where there can be no doubt about productivity performance, even if there remains some doubt—if I read what is happening across the House—about the quality of the product.

Ms Abbott: The hon. Gentleman will be aware that the officials in the Box are flushed pink with pride.

Chris Huhne: I am glad that the hon. Lady has pointed that out; there certainly seemed to be more commotion in the Box than is usually the case.

Before moving on to the DNA proposals, let me deal with some of the less controversial passengers on this particular bus. We welcome a reduction in police red tape, but in reducing the length and number of forms that the police are required to complete, we must ensure that we also monitor fair dealing. Stops and searches of all kinds, but particularly those carried out under terrorism legislation, disproportionately affect ethnic minorities. Since 1997-98, black people have been almost eight times more likely to be stopped and Asian people twice as likely to be stopped as white people. I accept that the requirement in primary legislation to record the person's ethnicity is a welcome move, but this must be kept under constant management review. Stop and search must be seen to be proportional to the threat if the police are to retain the confidence of minority communities, which is so crucial in terms of gathering intelligence and ensuring that witnesses come forward to secure convictions.

The Bill fails, however, to consider the problems of stops and searches under sections 44 and 45 of the Terrorism Act 2000, whereby they can be undertaken without the need for any suspicion at all. Just last week, the Government again found themselves on the wrong side of a European Court of Human Rights ruling on this very legislation. There have long been concerns about the massive overuse of section 44 powers, particularly by the Metropolitan police. Only 0.6 per cent. of people stopped under these powers in the second quarter of 2008 went on to be arrested, and the Government's own terrorism adviser, Lord Carlile, pointed out last year that searches were being carried out to provide "racial balance". Yet in this Bill the Government have made no moves to tighten up on their use. I hope that in Committee Ministers will table amendments that address the issues that the European Court of Human Rights has raised about sections 44 and 45, and will ensure that these stop-and-search powers are used in a proportionate manner by more tightly drawing the conditions in which they can be deployed.

David T.C. Davies: Is not the reason why so few people are arrested as a result of section 44 precisely because these searches are meant to be random and thereby send out a message? Because of their randomness, all sorts of people are stopped and searched who would not normally expect to be so. Also, if the searches were not random, but instead were targeted at certain groups of people by age, ethnicity or anything else, the hon. Gentleman would be the first to complain.

Chris Huhne: Apart from anything else, I disagree that this is a sensible use of police time. In order to see that, we need only look at the success rate and the potential for alienating minority communities, whom we need to have on board if we are to tackle terrorism. This power needs to be revisited, as the ECHR has made very clear.

Part 5 of the Bill introduces measures to tackle domestic violence further, and to protect the victims of it in the immediate aftermath of a suspected offence. We welcome these so-called "go" orders as a useful way

to giving victims of domestic violence the time and safety to make decisions about their future. However, it is imperative that these orders are coupled with support and counselling for victims, and temporary housing for the perpetrators, as is the case in the other countries upon whose provisions they appear to be modelled.

Mr. Malins: On domestic violence protection notices, I wonder whether there really is a serious gap in the law that needs to be filled. Do we not already have sufficient criminal charges to enable the mischief to be dealt with under existing laws?

Chris Huhne: The hon. Gentleman has considerable professional experience of the law, and he makes a very good point, which I take seriously. He is certainly right to raise this issue given how many offences have been introduced since 1997—and, indeed, some even before then—when it was already perfectly possible to prosecute under existing legislation. I am happy to look at this in Committee if what the hon. Gentleman is suggesting is indeed the case, although I am absolutely convinced that we need to do more to tackle domestic violence. I suspect that we will achieve a lot in that regard by persuading more police forces to adopt the best practice of some, which is to go ahead with prosecutions even when the victim is unwilling to give evidence, such as by using circumstantial or medical evidence about what has happened. That appears to be an effective way of tackling domestic violence. However, having been out with my local police force and seen cases of domestic violence, I really do think we need to deal with this as forcefully as we possibly can.

Part 6 concerns gang injunctions for under-18s. We are less happy about this area of the Bill, since it appears to be another case of legislating on the hoof. These clauses amend the recent Policing and Crime Act 2009, and they are baffling since the Minister told the Joint Committee on Human Rights in March last year that the Government had no intention of covering children and young people explicitly. My party has long argued that antisocial behaviour orders, or ASBOs, should be a last resort. If overused—there are parallels here with the so-called "gangbos"—they become ineffective and costly and potentially criminalise a generation of young people.

These gang injunctions seem to me to repeat many of the same mistakes. They again blur the line between criminal and civil law. They criminalise young people without any thought as to how or why they find themselves caught up in the dark world of gang-related violence, and they simply mimic many powers that are already on the statute book. Furthermore, they give the courts powers to impose draconian orders on young people who breach these injunctions. As Liberty has so aptly put it, we are, in essence, talking about

"a mixture of control orders and ASBOs".

It is staggering that the Government are intent on expanding these types of orders for children, and we shall certainly seek to amend these provisions in Committee.

Part 7 makes the issuing of a parenting order mandatory upon the breach by a child of an ASBO. Parenting orders, in themselves, are often beneficial, but we are concerned that these provisions may result in such orders being used as a last resort, at the point when a child has already been criminalised by breaching a discredited and overused ASBO; ideally, parenting orders should be used well ahead in this process. These measures do nothing to address the root causes of antisocial behaviour before they get out of hand. We need to catch children early, create schemes that divert them away from crime and antisocial behaviour, and get them to take responsibility for their actions when they stray, particularly through restorative justice schemes and neighbourhood justice panels.

On part 8, we thoroughly dislike the licensing regime for wheel-clamping businesses operating on private land. I see no justification for yet another licensing regime, so let us instead opt for a simple Scottish-style solution and declare such clamping illegal entirely, as it is tantamount to extortion. We should not be attempting to clean up this industry's act by providing a licensing regime.

Finally, I turn to parts 2 to 4, which concern the DNA database. To say that the Government's proposals are a disappointment is an understatement—they are a scandal. They have roundly failed to address any of the concerns outlined in the European Court of Human Rights ruling in the case of S and Marper about the "blanket and indiscriminate nature" of the database. The UK has the largest DNA database in the world; it is far larger than its American counterpart, despite the population of the United States being so much bigger. Our database contains records from more than 5.5 million people, almost 1 million of whom are innocent—they have no record on the police national computer—and almost one in two of all black men are on the database. This is little more than a random accretion of profiles from anybody who happens to run into the police. We have heard in great detail, particularly from the Chair of the Select Committee on Home Affairs, how difficult it can be, depending on where one lives in the country, to get one's details removed from this database, even when one wants to do so.

As I briefly mentioned, in December 2008 the ECHR ruled that the retention of the DNA samples of two men who had not been convicted of any crime—S and Marper—was illegal and violated their right to a private life. The Court ruled that

"the retention in question constituted a disproportionate interference with the applicants' right to respect for private life and could not be regarded as necessary in a democratic society".

Its ruling is a staggering criticism of the UK Government, who have collected the most personal information from innocent people on a database that is not fit for a democratic society. Yet, rather than be humbled or chastened by that, the Government are presenting proposals that fly in the face of the ruling. It seems that they would rather continue their dangerous obsession with creating massive and illegal databases of any information they can get their hands on than accept that they were wrong and that they have gone beyond the law.

The effectiveness of the DNA database for innocents as a tool for fighting crime is itself highly questionable. Figures have shown that despite the huge increase in the number of profiles on the database, from 2.1 million in 2002 to 5.6 million at the last count, the number of detected crimes for which a DNA match was available—we are not even talking about it being crucial to the conviction—has fallen from 21,098 to 17,614 last year. That does not surprise me because, as I said, the database is random. It includes 1 million innocents and excludes more than 2 million people who were convicted before

[Chris Huhne]

the database began. One sensible aspect of these proposals is to collect the DNA of such convicts. We will support that. There seems to be an absolutely clear basis for ensuring that that goes ahead.

Ms Abbott: Does the hon. Gentleman share my concern about the way in which Ministers, when they advance their arguments about the super-database, seem to have difficulty holding in their heads the difference between being guilty and being innocent? I had an Adjournment debate on this question, and a Minister stood at the Dispatch Box and talked about "allegedly innocent" people. Do not Ministers need reminding that under British law a person is either guilty or innocent? Although we do not say that there are no circumstances in which we should keep the DNA of innocent people, Ministers need to be reminded of some of the principles of English law.

Chris Huhne: The hon. Lady is absolutely right. That is a crucial principle. Ministers surreptitiously begin to talk not about how a previous arrest is a good indicator of some future conviction, but about how a previous arrest is a good indicator of another future arrest. Just because somebody is arrested twice, that does not make them any more guilty than they were when they were arrested the first time, when that was followed by no successful prosecution. I fear that Ministers are being naive in their approach. The issue of principle is exactly as the hon. Lady says.

David T.C. Davies *rose—*

Chris Huhne: I shall happily give way again, but probably for the last time to the hon. Gentleman.

David T.C. Davies: The hon. Gentleman is being very fair. Will he or the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) take the opportunity to tell us whether they agree that the five people named by the *Daily Mail* as the murderers of Stephen Lawrence killed him? I believe that they did and so do most people who have considered the case. I believe that it is right that their DNA should be collected and I would never describe them as "wholly innocent people". Would the hon. Gentleman describe them as completely innocent?

Chris Huhne: I know that the hon. Gentleman is a member of the special constabulary, and that he will therefore have had a certain amount of legal training, and he is aware that there is a difference between the standard of proof in a civil case and that in a criminal case. The standard of proof in a criminal case is that somebody has to be convicted beyond reasonable doubt. As a former journalist, I know that the standard of proof in a civil case, when it comes to libel, is on the balance of probabilities. I salute the campaign that the *Daily Mail* has run on this issue, but I merely point out to the hon. Gentleman that it is slightly more difficult to bring a successful prosecution on a criminal basis than it is to defend oneself in the libel courts.

Let me return to the DNA database. The evidence provided by the Government to support the retention of the DNA of all innocent people for six years is a shambles. The so-called evidence in the consultation paper was based on an extremely small sample of research carried out by the Jill Dando Institute of Crime Science, which its own director later noted was incomplete and based on data to which the institute was not given direct access. The director stated that it

"was probably a mistake with hindsight, we should have just said 'you might as well just stick your finger in the air and think of a number'".

Further criticism came from Professor Sheila Bird, a vice-president of the Royal Statistical Society, who said that the consultation's

"use of statistical science does not enhance public trust"

and that

"misleading statistical arguments in public consultations should be regarded as a statistical felony"—

the statistical equivalent of "lying to the House".

All the Home Office has done is halve the period proposed in the consultation document, as if splitting the difference were a substitute for evidence. The Home Secretary said today at the Dispatch Box that there was tremendously important evidence that would support his evidence and that, as we speak, it is in the process of being peer-reviewed. I have news for him—there is a difference between something appearing in a learned journal once it has been peer-reviewed and something that is going through the process of peer review.

If research is going through the process of peer review, it has not yet been accepted for publication in a learned journal. That process can involve a substantial amount of revision on the part of the authors. If, after getting its fingers burned in the case of the consultation paper and the Jill Dando Institute, the Home Office has not learned not to present to the House a load of half-baked evidence, it damn well ought to have done so. The Home Secretary ought to know that he should come here with evidence that is incontrovertible and based on research that is published in a learned journal, not something that he hopes will support his point of view at some time in the future.

Our preferred alternative is a strict split between innocence and guilt. If a person is found guilty of a crime, their DNA is retained on the database. If they are not convicted of a crime, their DNA is removed from the database at the end of the investigation. It is as simple as that. The principle of being innocent until proven guilty is the cornerstone of our criminal justice system. I have seen nothing in any of the so-called evidence provided by the Government today to convince me that we should abandon that principle now.

The inadequate DNA proposals loom so large over the entire Bill that although there are positive elements elsewhere, it is well overdue for the Government to take seriously their obligations towards the European convention on human rights not just in this matter, but in the matter of sections 44 and 45 of the Terrorism Act. They should start with the Bill. The DNA proposals fail to respect the right to private life. They sacrifice the presumption of innocence over guilt on the basis of a cooked consultation. They are an affront to British traditions of hard-won liberty and justice. I am sad to say that for that reason, despite some of the positive provisions in the Bill, we will not support it this evening.

5.41 pm

Mr. Ian McCartney (Makerfield) (Lab): I support my right hon. and hon. Friends and when the time comes, I will vote in favour of the Bill being given a Second

Reading. I go further and suggest that so far this evening we have heard from the Liberal Democrats a victory of pomposity over intellectual rigour, and from the Conservatives, a rant. One would have thought that as we are so close to the election, they would give us some insight into the alternative positions they take on the Bill.

The spokesmen of both parties failed to respond at all to the Government's announced improvements to the legislation on compensation for British citizens who are victims of terrorism overseas. I do not make a partisan point. For more than five years my noble Friend Lord Brennan and I have worked with victims groups on a non-partisan basis, day in and day out, to resolve the issues arising when the lives of innocent British citizens and their families are blighted for ever as a consequence of attacks on them simply because they were British citizens.

An announcement has been made of a scheme for the future, which I warmly welcome, along with recognition of something I asked the Government to consider last autumn—that any new compensation scheme should not overlook victims who have already suffered and will continue to suffer for the rest of their lives. I would have expected at least 30 seconds' acknowledgement from the Opposition Front-Bench spokesmen and an indication that they would support the proposals in the House tonight.

Victims' families throughout Britain may feel concerned that, for other partisan political reasons, the proposed schemes may not be implemented before the general election. That would be scandalous, particularly for the families who have been waiting since Bali for financial support and recognition of the consequences of such terrorist attacks.

Chris Huhne *rose—*

Mr. McCartney: I will give way to the hon. Gentleman in a moment. I have made my criticism, so I will allow him to respond. I say so because it is important to guarantee that, by the end of the debate, all Opposition Members concerned have clearly stated, whatever their view of the whole Bill, that they will grant fair weather and support to the Government to ensure that those two aspects of the Bill—the future scheme and the scheme for current victims—get through the House and are implemented, so that the victims and their families can start to rebuild their lives.

Chris Huhne: I am sure that, when we have had a chance to look at those measures, they are likely to command a great deal of support from all parts of the House, but I urge the right hon. Gentleman—particularly because the measures are likely to get so much support—not to try to use the issue as a camouflage for much more controversial proposals on the DNA database. I assure him that, if the Government accept in Committee our amendments on the DNA database or, indeed, the expected Conservative amendments, the Bill is likely to go through with the measures that he cares so much about.

Mr. McCartney: Having spent 15 years as a Front Bencher in government and in opposition, I must say that I am not using the issue as a camouflage. I raise it in this way simply because I fear the responses from the hon. Gentleman and the hon. Member for Epsom and Ewell (Chris Grayling), on the Conservative Front Bench. They made it absolutely clear that they were prepared in another place and here tactically to stop the Bill going through.

The issue is so important, however, that I plead with the hon. Gentlemen—whatever their views on other matters and whether they can be resolved—not to use their tactics to the point where, as a result, their fellow citizens and their families, who have waited since 2002, do not receive any recognition of what went wrong or any financial support for the ongoing physical and mental damage that has been inflicted on them and their loved ones.

Keith Vaz: My right hon. Friend speaks with great passion on that issue, which is very important to him. However, he cannot say that it is being used as a camouflage by those who oppose the database proposals. We support him on the issue, but if he is, rightly, so keen on it, the Government could make time in the House and a Bill—just on that issue—could go through with the support of all Members. No one is trying to stop his proposals.

Mr. McCartney: My right hon. Friend knows very well that I never suggested that hon. Members were using my issue as a camouflage. I asked them, as I do my hon. Friends, to make a simple commitment. What I am saying to Members is absolutely clear: I am not playing footsie and asking people to make a trade-off. We cannot trade off the lives of fellow British citizens; we cannot trade off the consequences of Bali, Mumbai and all the other instances of terrorism, where British citizens have suffered grievously. My point is that this issue goes beyond the other aspects of the Bill. Its status as a vehicle for this issue is important, however, because the Government have for the past five years had to consider evidence from me and others and from the families concerned; and, in a very difficult situation, they have now responded positively.

Once again, I suggest that we establish a transparent scheme for the future with clear rules of engagement, if, sadly, British citizens again become victims of terrorist attacks in a far-off land; and, I suggest that those who have already suffered and continue to suffer—those who have been grievously injured, physically and mentally—be given the opportunity to receive compensation. The issue is about justice denied for 10 years. We should not allow people in the few weeks of the Bill's consideration to reach the point whereby, in their desire to amend it, they miscalculate the situation and allow the injustice to continue. That is my plea to all hon. Members.

When my right hon. Friend the Home Secretary opened the debate, I was pleased to hear him recognise two points. He recognised that an act of terrorism is an attack on the nation state and, therefore, an entirely different crime from normal criminal activities—as dangerous and as difficult as they may be. As a consequence of that recognition, I believe that in all circumstances from now on the state has an overwhelming duty—a first duty—to protect, look after and defend its citizens, whatever the reason why they are not within the shores of the United Kingdom when that attack takes place. It could not have been right then, and would not be right now or in future, for the nation not to look after the interests of someone simply because they had a toenail over the white cliffs of Dover when they were attacked

[Mr. McCartney]

by a terrorist. That surely should never have been the case. Thankfully, following my right hon. Friend's statement today, it will not be the case in future.

My right hon. Friend also recognised something else, for which some of us have been arguing for some time. Many of the British citizens attacked in such incidents in the past decade have been attacked for one sole reason: they are British citizens. That became even more true in Mumbai, where British citizens were killed and maimed simply because they were British. Sadly, attacks—small or large—will take place in future, and I believe that those who carry them out will seek out citizens from particular nations, including ours, and will afflict and damage those citizens. Given those circumstances, it is so important to recognise that it is unacceptable for there to be a legal loophole through which victims of attacks overseas are treated differently from those who are attacked within our own borders. I am glad to say that my right hon. Friend is putting that right.

My right hon. Friend also said that he would broadly mirror the domestic criminal injuries compensation scheme. Will my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism, in Committee if not tonight, give a clear indication of what exactly that means? I ask the question seriously. On 15 January, Ned Temko, a journalist who has followed with great knowledge and commitment the cause of victims of terrorism overseas, wrote this in *The Guardian*:

"Planned amendments going before the Commons on Monday will include a more generous scheme for future victims, along the lines of the settlement for victims of the 7/7 terror bombings in London."

The second part of the scheme relates to two other Departments, the Foreign and Commonwealth Office and the Ministry of Justice, so I shall not press my right hon. Friend to answer about it today. It is about how we will introduce a non-statutory scheme for those who have been damaged since 2002. I understand that there will be hardship payments, that the scheme will be limited to a certain period and that it will be ex gratia and non-statutory; it will not be a retrospective scheme according to the legal definition.

It will be interesting if we find out in Committee how different—or broadly similar—that part of the scheme will be from the scheme announced today for future victims. Will the eligibility for hardship payments be the same as that in the prospective scheme the Home Secretary announced today? I do not ask my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism to respond in detail today; I am giving him pointers for the Committee, to ensure that, in the days and weeks to come, victims and their families have a clearer understanding of what the scheme will look like and what they can expect.

I understand that hardship payments could be calculated according to the tariff of injuries in the domestic criminal injuries compensation scheme and that no payments would be made to the families of those killed or for injuries that did not lead to an ongoing disability. Equally, no payments would be made for loss of earnings. That is in line with what the current criminal injuries compensation scheme delivers in the UK. However, it would help those concerned if they knew whether in future there would be consideration in respect of compensation for those who had lost their lives.

I understand that the Foreign Secretary will be responsible for designating who will be eligible for the hardship payments. So that things will not be held up, will the Foreign Secretary and appropriate Ministers meet representatives of the various groups to talk the issue through with them? In that way, victims' organisations would clearly understand precisely how applications can be made for injuries incurred in certain incidents and how they can refer cases to the Foreign Secretary for designation.

I am certain that in making the announcements today, the Government will have found resources from the appropriate legislation. I welcome that and thank them for it. I also thank the Home Secretary for the work that he has done to bring together a complex issue to ensure that justice is at last won for victims. He has done so in a way that ensures that every part of Whitehall accepts that the state has an obligation to look after its citizens who are attacked abroad, and that the state recognises the ongoing needs of victims who have survived with horrific illnesses.

One thing about those who have survived is for sure: their ongoing daily courage and that of their families. It is a humbling experience to stand here and speak on behalf of people who do not have a voice to speak here—those who have lost their children, grandchildren, wives or husbands. It is difficult to speak up for those who cannot speak for themselves in this Chamber, and who are now limbless or who suffer from mental illnesses.

A constituent of mine survived the Sharm el-Sheikh attacks, having gone back into the hotel time and again to help rescue survivors, not knowing whether there would be another bomb in a few moments. He has to live with the consequences of that for the rest of his life. He protected a young child who, only minutes before, had been talking with friends who moments later no longer existed. That is a humbling experience. Until today, it has been hard to put into words what those families have felt at the fact that no one would recognise—just recognise—the consequence of those terrorist attacks on them and how devastated their lives had been. For many of their loved ones, there was no life at all.

I am certain that there will be disappointments about some of the restrictions in the scheme. Overall, however, I think people will accept that at last the House has the opportunity to recognise that our fellow citizens require protection. When that protection does not work and they become the victims of terror attacks, the one thing that should not concern them is an unwillingness or lack of ability on the part of their state to look after them and their families.

I thank my right hon. and hon. Friends for this announcement today. A lot of hard work, effort, tears and sweat have gone into getting where we have reached. However, all that pales into insignificance when we consider what has happened to the families I have been discussing. Whatever else the House does with the rest of the Bill, I ask it not to jump off the cliff, as it were, by using tactics that leave those families devastated again.

5.58 pm

David Davis (Haltemprice and Howden) (Con): I commend the right hon. Member for Makerfield (Mr. McCartney) on his speech; he clearly put a lot of passion, time, energy and work into delivering this

change for his constituents and others. However, he should not take opposition to elements of the Bill as tactics. The House is big enough not to deliver justice for some at the price of injustice for others.

I was serving on the Front Bench when the issue of the database first came up, and I do not pretend that it was easy to resolve in our minds. After all, it involves balancing an incredibly powerful anti-crime tool—one that will deliver convictions to deal with criminals, which is what we want—against the imposition of a presumption of guilt, perhaps a lifetime presumption in some respects, to people who are seen as innocent by the state and who are, in most cases, innocent. There will, of course, be exceptions when the judicial system fails, but mostly such people will be innocent. I shall give some examples in a moment. I do not pretend that the issue is easy.

Some of the Government's proposals on the DNA database are very welcome. When we considered this before, Conservative Members, and I think the Liberals too, took the view that one way of improving the effectiveness of the scheme was to bring in the 2 million extra guilty people who had been overlooked by the original legislation. It was, frankly, governmental or corporate laziness to go for the ones that it was easy to take the samples from, not those who were likely to be committing crimes today and in future—namely, those who were convicted before the Criminal Justice and Police Act 2001 went through, let alone the Criminal Justice Act 2003. I approve of that suggestion. It impinges only on guilty people, and it will greatly improve conviction rates for cold cases, for current cases, and for future cases. Two million guilty people will have committed many more crimes than 1 million innocent people, virtually by definition.

That is why we came to the conclusion that the Scottish system was the best compromise. I know that we differ with the Liberals on this, although it was their brothers and sisters in Scotland who put that system through; indeed, I think it was a Liberal justice spokesman who did it. I understand, however, that the compromise was, as the Home Secretary said, based on "no data at the time", not "no data today", because the Scottish Government have had the sense—I am not often heard speaking well of an Scottish National party Government—to review the policy, as did the Labour-Liberal Government before them. Their review showed that the outcome in Scotland was at least as good as, if not better than, that achieved under the system that we have in England and Wales, despite the Home Secretary's new statistics; I shall talk about the presentation of new evidence at the Dispatch Box in a moment.

There will be those in the House who think, "My constituents worry about being hurt, murdered, assaulted or burgled. They're not worried about these technical, civil libertarian concerns." I should therefore like to take a moment or two to explain how this is, in practical terms, very real to those who suffer in this way. The case that I am going to cite is in the public domain, on the BBC website; I will summarise so that people can check the extended details themselves. The man involved is called David Sweeney. He says that in 2004 he was on his way home and was assaulted by two other men. He was about 28 years old at the time of writing, and he is a white and—I think, from the language he uses—middle-class male. That is an important point to remember: he was a white, probably middle-class male. In the course of what happened following that attack, he was arrested on a charge of affray, which was then dropped because it was clear that he was not at fault. He was not the aggressor—he was simply defending himself, and those two men were guilty of attacking him.

So far, so good—an unpleasant incident, but it was over. Then, two months ago—I take up the story in his words:

"I dropped a friend off at Manchester Airport and double parked. A foolish mistake and on returning to my car the police had arrived and given me a ticket. They asked if I was 'known to the police' and I said no, having no criminal record. I was already apologetic and admitted my mistake and had accepted the parking fine.

But when they then heard over the radio that I was on the DNA database, they treated me with total contempt—as if I were a serious criminal. 'You lied to us', they said. 'You're on the database. So you've obviously done something wrong'"—

an interesting assumption—

"'What are you trying to conceal now?'...There was no separation between my DNA records and those of a violent criminal.

This characterises my main problem with the database. Anyone who is on it, I think the police will have an inclination to see them as a criminal. All they heard over the radio was 'he's on the database'. Did they know I had committed no crime? I don't think so."

That case is not unusual. However, we have been talking about other categories of people on the database. The Chairman of the Home Affairs Committee pointed out that 77 per cent. of young black males—defined as 15 to 34-year-olds—are on the database; the Liberal spokesman said that the proportion is just under half, at 30-something per cent. It is one thing if this happens to someone once, and they are angry enough to write to the BBC about it, but what if it happens to them and their friends all the time? What does that do to their presumption of justice? What does it do to their perception of the police? What does it do to their belief in law and order in their community? This is not a theoretical issue, or some namby-pamby, civil liberties piece of high-flown rhetoric: it affects ordinary citizens in our country day by day, and it drives a stake through the presumption of innocence in our society.

David T.C. Davies *rose—*

David Davis: I give way to my namesake.

David T.C. Davies: I thank my namesake for giving way; I am intervening at my peril. There may be some genuine confusion in such situations. When the police take somebody's details, they conduct a police national computer check that will often come back saying, "No, not wanted." The police may have assumed that the person was known to them, but they would not have known that he was on the DNA database and may well have been referring to the fact that his name came up on the computer records as being known, but not wanted.

David Davis: I thank my hon. Friend for his explanation; he is expert in this, as he serves as a special constable. However, I am afraid that in all truth—please do not take this wrongly—I do not care about that: what I care about is the impact on an ordinary citizen, who could be one of my constituents. In fact, I do not have any immigrant minorities in my constituency, but it could be one of my constituents in another context. My point is this: if these things happen to a whole community on a regular basis, just think what that does.

[David Davis]

Incidentally, there is nothing in the Bill about the PNC database, as far as I can see—perhaps I have misread it and the Minister can intervene to tell me so. The Government talk about taking off a person's DNA details after six years, but their entry on the PNC database showing that they were arrested will stay for life. Even if somebody is successful under this scheme and gets their DNA details taken off, the fact that they were arrested stays on the record.

I do not know how many of those in the House have tried to get a visa to enter the United States and have seen the form that is filled in and the record check that is done, but it is clear that someone who has been arrested is very unlikely to get that visa. Indeed, the principal concern of my hon. Friend the Member for Ashford (Damian Green) after the disgraceful piece of neo-totalitarian treatment that he experienced was that he would never be able to go on holiday to America again, let alone go on political trips and whatever else he does there. This Bill affects that, as well as a person's ability to get a job. This is for life, remember. Under these provisions, a person is declared a suspect for life—again, a stake through the heart of civil liberties.

It is not uncommon for total innocents to be caught up. My constituency is the 10th richest constituency in the country, as hon. Members who went there during the by-election probably know. It is not all dark satanic mills—it is very pretty, like Surrey in the north. It is very well-off and very orderly; indeed, it has the lowest crime rate in the country. When I was shadow Home Secretary, my local paper rang up and said, "You've got the lowest crime rate in the country," and I said, "I should bloody well hope so." The simple truth is that that is the nature of the constituency. Yet I have there three people on the DNA database who are clearly, to my mind, innocent; two of them are children arrested on the basis of malicious allegations from other children. My police authority is one of those where people are never taken off the database. Perhaps that is not surprising, as it was involved in the Soham episode; I think that if I were the chief constable in Humberside I would be very chary about taking that decision. However, that means that the youngsters will be on it pretty much until they are adult—at the time of their first application for a job, if they do not go off to university. The third person is a man who works in the care sector—or at least he did until last year. These are innocent people who are having their lives destroyed, damaged or in some way harmed by this situation.

What is the basis of this? The Home Secretary is actually a rather close friend of mine. We travel back to our consistencies on the train together, we are next-door neighbours and we co-operate on all sorts of things—I am probably doing him great harm by saying all this, but never mind.

Mr. Llwyd: You are not doing yourself any good either.

David Davis: That does not matter—I am past it.

The simple truth, therefore, is that I do not believe that the Home Secretary is making an evil, point-scoring, electoral point. I presume that he and other Ministers believe in this approach. The Minister for Policing, Crime and Counter-Terrorism, who will serve on the Committee, is a capable man, and I think that the Under-Secretary the hon. Member for Tynemouth (Mr. Campbell), is too, so where does it come from?

I cannot remember whether Disraeli or Mark Twain originated the phrase "lies, damn lies and statistics", but heavens above it applies here, because the conflation of statistics and so-called facts that has taken place throughout this debate has been astonishing, which was why the quote from the leading statistician cited by the hon. Member for Eastleigh (Chris Huhne) was apposite. That was why I asked the Home Secretary earlier to do something that the Home Office has refused to do for the past year. He agreed and we will hold him to it. I asked him to comment on the Prime Minister's claim that 114 murderers have been convicted and locked up as a result of the 1 million database entries from innocent people—not the others, because we all accept that there is a reason for the guilty to be on the database—and to provide the list. The information is in the public domain, so there is no reason why the entire list of 114 murderers should not be published. However, I believe that that assertion is simply untrue. In the words of GeneWatch, the independent experts:

"These claims are demonstrably false".

It also describes the claims as ridiculous, and says that it does not believe that locking up our children will protect us in the future.

Both Opposition Front-Bench spokesmen and the Chairman of the Home Affairs Committee have made the same point. The key period is between 2004 and now. In 2001, there was the first change to the law to allow retention after charge, while the second change, which made the big difference, happened in 2004, with retention allowed after arrest. Between 2004 and now, the size of the database has doubled and become the biggest in the world. Of course, however, the number of direct DNA convictions went down by about 2,000—from around 21,000 to 19,000. The number was about that order of magnitude, but it certainly did not go up.

The Home Secretary responds to that by saying that it has happened because crime has gone down. He is the only person in the entire country who believes that crime is going down, but let us take him at his word. However, even if that is the case, crime has gone down on the Government's figures—rigged as they are—by about 10 per cent., but although the database has doubled in size, the proportion of convictions achieved through it has stayed between 0.34 and 0.37 per cent. There is no upward trend—the figures go up and down—and it has remained the case that roughly one in 250 cases have been solved through DNA. The database inflation has not delivered more justice and security; it has simply delivered huge insecurity to the people who are on it, but should not be.

Why has this happened? What has led Ministers to take such an approach? They do so not for ill intent. I suspect that my namesake, my hon. Friend the Member for Monmouth (David T.C. Davies), supports them, and he does not have ill intent at all—there is not a malicious bone in his body. I think that their belief largely results from a misconception of the way in which the system works. Very few hon. Members have served in uniform of any sort, let alone police uniform, and they do not really think this through. They form a

lot of their impressions of everything from terrorism to crime by watching too many editions of "Spooks" and "CSI".

Mr. Hanson: Or "The Wire".

David Davis: My hon. Friend the Member for Epsom and Ewell (Chris Grayling) is not in the Chamber, but I would have mentioned that if he had been.

We too often take our understanding of what is happening in reality from popular culture, which the Home Secretary did today when he suddenly cited, out of thin air, one of his new examples—it was the first time we had heard about it—and talked about DNA under victims' fingernails. The truth is that the relevant DNA in most murders is not the perpetrator's, but the victim's. That is the blood that is found on clothes, in the car, on the weapon, or on the skin of the person who carried it out—usually a man, to go back to earlier statistics that we heard. The database has no implications for such cases, because the body is generally there.

The most common circumstances in which DNA is used is when the criminal—the guilty man or woman—is identified first, with DNA taken second. In such circumstances, the database does not feature at all. The next category is when the DNA that is taken comes up as relevant to a cold case—we heard earlier from the right hon. Member for Birkenhead (Mr. Field), who is very keen on the issue of cold cases. However, the database has absolutely no implications for cold cases. The argument about cold cases is complete rubbish, because the relevant database for a cold case is that of cold case DNA samples from crime scenes, and there have not been more solutions of cold cases because that database is incomplete—and what is more, the Government propose to close Operation Stealth, the unit that runs it. If we really want to fix the cold case problem, we need to get the database of DNA from cold case crime scenes up to date, and then check DNA against that every time a person is arrested. I will return to how that has caused the House to be misled in a moment.

The last category of DNA use is the one that is relevant to today's debate. It relates to future cases when a match is found to DNA that is already held, and an individual is arrested on the back of that. No one argues that that is not important. After all, not one person who has spoken has said that we should take guilty people—4 million of the 5 million—off the database. Both the Conservatives and Liberals argue that 2 million more such people should be put on the database, because that is where the system's power lies. That is because, despite what the Home Secretary says, every piece of scientific research that has been carried out on criminality shows clearly that criminals are almost always repeat offenders. Those who commit big crimes precede them by committing small crimes. Those who are socially undisciplined by committing one sort of crime are undisciplined on everything, whether that is stealing things, cheating on fines or not paying following driving offences. Some of the Government's more sensible strategies hang on that understanding.

There is an enormous difference between the likely criminality of innocent people and those who have already committed crime. If that were not true, there would be a case for a national database. That was why the hon. Member for Eastleigh was right when he said that the Home Secretary had made the case for a national database. If the Home Secretary believes that the data should be there, they should cover all innocent people, not just those who are unlucky enough to get caught up by a random process.

Let us think about the people who get caught. First, there are the victims, because if a person is mugged and the police happen to turn up on that occasion, the mugger will be much slicker than the victim by saying, "He hit me first." We have read in the newspapers and heard anecdotally about many such cases.

Secondly, there are the have-a-go heroes who try to stop a fight but also get caught in this messy process. Then there are the children who are accused by another child, whom I mentioned earlier, and the teachers who are accused by a malicious child—there are two such cases in my constituency. There are also the care workers who are accused by people who are mentally unstable. They might have spent their lives trying to support those people but—bingo!—there is another case. All those innocent people are caught in this trap, yet we are doing what is convenient to the police.

Frankly, the police gave disgracefully poor evidence to the Home Affairs Committee, and I recommend that hon. Members read GeneWatch's summary of the contribution of the representative from the Association of Chief Police Officers—almost every piece of data that he gave was wrong. To put it bluntly, ACPO's understanding of the statistics and probability is non-existent, and I am afraid that it is down to the House to insist that Government agencies do their job properly, rather than sloppily and in a way that impinges on the rights of the people whom they are there to protect.

That all leads me to believe that there is a problem to be dealt with. As I said, the Scottish system is not perfect. However, I say to Ministers—they might have been discounting the rest of what I said, but I would like them to listen carefully to this—that in this area, there is a massive amount of data under the Government's control. The data are in a manageable, electronic, coded database form. It is possible to do a great deal to pursue the effectiveness of that database, yet we have seen almost no published data from it.

The data that we have seen have been desperately flawed. Again today, we heard the Home Secretary conflate the issue of re-arrest with that of conviction after arrest, behaving as though being arrested twice somehow made a person guilty. To a young black man in Brixton, I do not think that that is true. It is no surprise if somebody who is on the database gets picked up again—how do we think policemen work? It is not wrong that they should work in that way, but it is simply wrong to draw that conclusion. A couple of months ago, I was so horrified by the Jill Dando Institute data that I asked its research director whether I could see the information and interview the researcher. Just 10 days later, the data were withdrawn because the same conflation error had been made.

It is not hard to solve the problem. The Government have the information, and they should put it in the public domain, or at least in the domain of authorised academics who can examine it independently. Then we could get some sensible answers on the mathematics of the matter, so that we could judge how much freedom, privacy and presumption of innocence we should trade off against the right to security from violent criminals.

[David Davis]

This is a dangerous matter, because juries take DNA evidence as the golden bullet. Too many of them have watched "CSI", "Bones" or "Cold Case Files" and believe that DNA evidence is perfect. I shall ambush the Home Secretary on his way home on the train on Thursday and give him a copy of this week's *New Scientist*. I recommend that the other Ministers read it, too. It contains a long overdue piece about the doubts that many scientists have about the veracity of the presumption that there is a one in 7 million chance of DNA evidence being wrong. There are all sorts of reasons why that should not be the case, and I shall not bore the House with the technicalities today—my first degree is too long ago for that. It is likely that the probability of a mismatch is much greater than we think.

We come up against what is known as the "birthday syndrome". The chance of me and the Home Secretary having the same birthday is one in 365—that is pretty straightforward to work out. The chance of me and one of the entire Home Office ministerial and Parliamentary Private Secretary team having the same birthday is about 25 per cent. If we add in the people in all their private offices, it is about 50 per cent. Actually, the chance of my having the same birthday as the Home Secretary is zero, because his is in May, but the point is that the probability of a mismatch rises steeply the greater the database gets.

The presumption among those who are tied to databases is that the bigger the database, the better it will be. No, the bigger the database, the geometrically bigger the chance of a mismatch. That is the mathematics. Members should not believe me, they should go and get themselves a mathematician to explain it to them. It is straightforward, and it is called the birthday syndrome. A bigger database carries a greater chance of a mismatch. If a quarter or a fifth of those on the database are innocent, there is a serious risk of a miscarriage of justice.

DNA is a powerful and effective tool, but we make an awful lot of presumptions if we jump to the conclusion that it is perfect. The Government are in a position to release the information from the database to the scientific community so that it can make the judgments that I have mentioned. The American Government have been approached to do that and turned down the request. I suggest that if the British Government really want to do something in their last few months in office, they should accede to it. They are right in that DNA is a powerful tool that can protect British citizens, but it can also create serious miscarriages of justice. It is in their interest to ensure that that does not happen.

6.25 pm

Mr. Neil Gerrard (Walthamstow) (Lab): I apologise for having been absent for part of the debate, but I had to attend a statutory instrument Committee upstairs.

I listened with a great deal of interest to what the right hon. Member for Haltemprice and Howden (David Davis) said about DNA, about which I shall make a few comments later. I wish to talk first about another part of the Bill, which in some ways relates to the problems that he mentioned of the effect on communities. That is the part that deals with stop and search.

The Bill proposes changes to how stop and search is recorded. I absolutely understand the reasoning—we do not want excessive police bureaucracy, and we want the police to spend as much time as they possibly can on the street dealing with crime, rather than filling in cumbersome forms or records. However, the use of stop and search can be controversial and it is important that we get it absolutely right.

Stop and search can take several different forms, and there are three main powers to exercise it. There is section 1 of the Police and Criminal Evidence Act 1984, which is the commonest form, but there is also section 44 of the Terrorism Act 2000 and section 60 of the Criminal Justice and Public Order Act 1994. These last two do not require a police officer to have reasonable suspicion about an individual before they conduct a stop and search. Section 60 of the 1994 Act, in particular, is often ignored when there is discussion of stop and search. There was a recently a prominent court case about section 44 of the 2000 Act, and there has been a great deal of publicity about how it has been used in relation to recent demonstrations in central London. However, when we consider the regulations governing stop and search during the passage of this Bill, we need to examine what happens under section 60.

The proposal in the Bill is to reduce the recording requirements under PACE. There will not be any need to record whether anything was found during the stop and search, whether any injury or damage were caused to the person stopped, or their name. Monitoring will continue in relation to ethnicity, but not age. We need to consider what the consequences of that might be. If someone wished to make a complaint that a stop and search was unlawful, or wished to show in their defence in a case that they had been stopped and searched two or three times in the same day—that sometimes happens—they would find it very difficult without names and other details being recorded.

We need to think much more carefully about how we monitor the use of stop and search. There is obviously an issue with section 44 of the 2000 Act following the court case. It must be reviewed and there is likely to be an appeal—there is of course no guarantee that that will succeed—but it is absolutely certain that all the reservations about the use of section 44 given in the judgment apply equally well to section 60 of the Criminal Justice and Public Order Act 1994.

I was in the House when that Bill was debated back in 1994, as were one or two others in the Chamber today. In the debate on section 60, we were told that the power would be used only in exceptional circumstances, when a superintendent considered that there was the possibility of serious violence in their area. However, the power is being used absolutely routinely in certain police forces, as a method of doing stop and search without having to have suspicion regarding the individuals concerned. In the Met, in 2000-01, there were 2,800 recorded uses of section 60; in 2002-03, the figure was up to 8,600; and in 2003-04, it was 4,400; but by 2007-08, it had risen to 17,000. The latest figures show that in just one year, in one London borough—Newham—there were 25,500 searches using section 60. That happens to be the borough that uses section 60 most heavily, but in my borough, Waltham Forest, there were 6,000 in one year, which is more than there were in the whole of the Met just a few years ago.

The excuse for those figures is Operation Blunt 2. That was when the big increase occurred. However, the usage of section 60 is simply not being monitored properly. In fact, there is very little relationship between knife crime and the number of searches under section 60. Like the DNA provisions, the use of section 60 is a source of resentment among young men—it is generally young men—who are stopped again and again. It is about time we looked again at how section 60 is used and monitored, and we should be looking to amend how it operates. The Bill gives us an opportunity to do that.

I welcome the fact that the law on DNA retention is being looked at and reformed, but I am afraid I cannot welcome how it is being done. There are some very basic issues. The fact that three quarters of young black men between the ages of 16 and 34 are on that database has been mentioned by the right hon. Member for Haltemprice and Howden and others. There is evidence that there is a higher rate of arrest among young black men, but often a lower rate of conviction than among the corresponding white cohort.

David T.C. Davies: I have also heard the criticism that there are proportionately more young black men in prison and other institutions than white males, but there are all sorts of possible reasons for that, one being that the former group may be committing more crime. I accept that there are many other possible reasons.

Mr. Gerrard: I would not pretend that statistics relating to ethnicity and crime are not complex. We need to look at the causes of crime and the age groups involved and all sorts of issues. However, it should concern us that there are considerable disproportionalities between one population and another. That certainly happens with the stop and search, as I mentioned. A young black male is much more likely to be stopped and searched, and in London in particular, in recent years, the stop and search of young Asian men has increased. In turn, that is reflected in the DNA database.

The retention of the DNA data of someone who has not been charged with, let alone convicted of, an offence is a basic issue. The right hon. Member for Haltemprice and Howden gave some specific examples, so let me give a couple concerning people I have dealt with in the past few months. One 15-year-old girl was accused, exactly as the right hon. Gentleman suggested, by another girl in the same school. There was an argument at school and there was perhaps a little bit of pushing one way or the other, and that girl ended up being arrested and is now on the DNA database. When her mother and I asked for her data to be removed, the answer was no. I looked at the procedure that is currently used in the Metropolitan police. Its guidance on removing people from the database states that

"exceptional cases will be extremely rare"

and gives examples of when that might happen, which include

"where the original arrest was found to be unlawful"

or when "no offence" whatever "existed". The reality is that virtually no one is removed. That 15-year-old will remain on the database.

I have had two examples in the past few months of Asian men—one in his 30s, one in his 50s—who had been on holiday to visit relatives in the US. On their way back through Gatwick and Heathrow, they were stopped under anti-terrorism powers and their DNA samples were taken. In neither case has there been any charge, nor is there going to be. That is quite clear. However, from what the Home Secretary said in his opening speech, those two men, who have not been charged or convicted, and who have no previous record whatever, may remain on the database for years, because they were stopped and questioned under anti-terrorism powers.

I cannot see what the hard evidence is to support the proposals in the Bill. I heard the statistics the Home Secretary mentioned, but the basis for his argument from those statistics is extreme flimsy—it was based on thin research that has not decided anything definitively. That the data are thin has been admitted, and yet they are the basis on which we are going to bring in primary legislation that specifies the number of years for which data can be held. At the very least, we should be looking at a measure that allows the number of years to be changed quickly and easily if we get the definitive research that I believe we need.

It is almost a no-smoke-without-fire argument: the fact that somebody has been arrested at one point leads to the assumption that they are more likely to commit a crime than somebody who has not been arrested. The evidence to back that up that I have seen—the hard evidence, based on solid data going back over a significant period—seems remarkably thin. I do not think we should be going down that road on the basis of data of that standard.

Finally, I welcome another part of the Bill that the Home Secretary mentioned—the measures to regulate wheel-clamping. That has been a real nightmare to deal with in many areas, and certainly in my constituency. I have seen a number of cases of the absolute abuse of power by private companies carrying out wheel-clamping on private land. I have seen cases of people who work in shops—not shop owners—being conned into signing a contract with a company, which then comes along and clamps people in the back alleyway behind the shop. I have seen cases of people being clamped on a garage forecourt after they have simply gone into the shop to buy something. They have come out to find that they are being charged £400 or some other ridiculous amount of money to release their car. I welcome measures to deal with that. The Bill contains the power to regulate, and what we need as soon as possible is the statutory code of practice that will put the detail into effect. That is what is needed, not just the requirement for the companies to register.

Alongside that, I hope that we can also use this Bill to consider some of the other activities of private security companies. I am really concerned about how many areas they operate in. I dealt recently with the case of a constituent who had had a problem in a department store. The private security company involved handled her somewhat roughly, she was thrown out of the store and banned from entering it again. She was also accused of being racist, but that was totally untrue, as the store eventually admitted. However, she had no comeback against the store, because the private security company was responsible. Such companies operate in far too many places, and they seem to operate without any significant regulation. They may have to be registered and obtain licences from the Security Industry Authority, but if they behave badly it is difficult to get anything done about it.

Tony Baldry: Is not the real problem that when the police indicate that they are no longer willing to investigate problems such as shoplifting, the private sector intervenes, but it is unregulated and some companies can act like cowboys? People receive letters threatening prosecution or telling them that they have been put on lists, and it is very intimidating. There is no redress in the magistrates courts, and no supervision or overview.

Mr. Gerrard: That is right, although the police have not withdrawn. In the street market and shopping centre in my constituency, there is a local police team which takes an active interest in what goes on. There is however a growing trend to employ private security, especially in stores, and then if something goes wrong, there is no redress. If people have a problem with the police, there is a complaints procedure and—if necessary and in major cases—it can end up with the Independent Police Complaints Commission. As with wheel-clamping, for which we are considering codes of practice and increased regulation, we should consider other areas in which private security companies operate. This Bill may be an opportunity to do that.

The Bill deals with some big issues—the reforms to stop and search, the DNA database and private security. I am disappointed by some aspects, especially those to stop and search, on which we need more monitoring, not less, and the DNA database. As the Bill makes progress, I hope that we will be able to improve those aspects.

6.44 pm

Mr. Humfrey Malins (Woking) (Con): I begin, as always, by declaring an interest as a lawyer, a Crown court recorder and a part-time district judge. I wish to address an aspect of the Bill that has not yet been raised in any great detail—the clauses on domestic violence and domestic violence protection notices and orders. I wish to speak from a practical point of view and tell the House and the Minister—I have no expectation that the outside world, or even any other hon. Members, will have the slightest interest in what I say—about some problems that will need to be considered carefully in Committee.

We all agree that domestic violence is a very serious issue. The official figure for domestic violence is 14 per cent. of violent offences, but anecdotally it seems higher in the cases that have come before me. Such incidents usually involve a man being violent to a woman, although not always. They are, sadly, under-reported, but the Government have taken the issue seriously over the years. As well as introducing several important initiatives for the police, they have also set up specialist domestic violence courts. The Government recognise the importance of the issue and have tried to act on it as best they can.

I once heard it said that domestic violence is even worse than stranger-to-stranger violence, because it involves a breach of trust and therefore has a longer lasting impact. Be that as it may, we all agree that domestic violence is terrible, and everything that we can do as legislators to stop it should be done. We should punish those of either sex who are guilty of it.

However, I am not sure that the provisions in the Bill are necessary. The Government are nearly always well intentioned, but they have had a tendency to legislate a bit too much and forget about how the legislation will work in practice—what it will mean in extra bureaucracy for those who have to enforce it and what the results will be on the ground. I refer to clause 21 onwards and the provisions on domestic violence protection notices—the ability of the police to issue a notice to someone who has been violent or threatened violence to another in a domestic situation. Such a notice could have some nasty results for the person who received it. However, if we are dealing with violence—the Bill specifically mentions someone who "has been violent towards" another, as well as threatening violence—I contend that we have enough provision in the criminal law to deal with the perpetrator, without adding another layer of statute.

Let us say that I am cohabiting with a woman and I am violent towards her, and she calls the police. The Bill would provide that I could be issued with a domestic violence protection notice, but the police can already arrest me, take me to the police station and charge me with a criminal offence. They can charge me with common assault, which is only triable summarily in a magistrates court and carries six months in prison. They could charge me with actual bodily harm, which is triable on indictment, or—if the violence is very nasty—with grievous bodily harm or malicious wounding with intent. If I threaten to kill my partner, they can charge me with threatening to kill. They cannot charge me under the Public Order Acts because those offences apply only outside dwellings, but they have several options for dealing with me. If the police are not happy with those options, they can move on to the Protection from Harassment Act 1997, which I think was introduced by this Government. It would apply if I had embarked on a course of threatening or abusive conduct—the Act requires such conduct to be carried out only twice before an offence is committed. That Act also gives the courts the fullest powers to impose non-molestation or restraining orders on me.

Mr. Llwyd: I am following the hon. Gentleman's argument carefully and I fully agree with him. I would make the further point that, with the various assaults to which he has referred, there could be a remedy whereby the person who had committed the assault could be freed on bail, albeit on conditions that state that he should not return to the property or go within so many yards of the person concerned.

Mr. Malins: The hon. Gentleman is absolutely right. He has extensive legal experience and makes the point, which I was about to make, that the ability of the police to act in relation to charges of common assault, ABH and so on is not restricted to just charging a person. Rather, they can deal with the issue in exactly the same way that is proposed in the Bill, namely through the granting of bail or not. So if I go to the police station and I am charged, the police can make it a condition of bail that I do not attend the premises or go within 100 metres of it, and so on. Therefore, my direct question is: what exactly is not covered in the law as it stands today that the Bill seeks to cover?

Tony Baldry: Obviously this is a discussion for those who are selected to serve on the Committee, but I suspect that, in part, the point is to be declaratory to individuals who commit domestic violence about how they are likely, for that reason, to be removed from the matrimonial home. However, I have a slightly different concern that I would like to put to my hon. Friend, who

has much greater experience, sitting on tribunals, than I do as an advocate. In the past, much would have been done by way of injunctive or other relief in the civil courts on behalf of the wife. The difficulty now is that it is almost impossible for people to get legal aid or, in market towns such as those that he and I represent, to find solicitors who still do matrimonial and family law, because of the attrition on legal aid. Thus, we are effectively in a situation where the only people who can protect and act on behalf of, usually, wives or partners who have been attacked are the police.

Mr. Malins: My hon. Friend is so right. His distinguished career at the Bar in earlier days—

Tony Baldry: And, I hope, in present days too.

Mr. Malins: Indeed. My hon. Friend's experience will have led him to the absolutely sure conclusion, which we all share, that legal aid rates have been so dramatically cut that things are very hard. He has rightly said that what should be going through the civil courts in a proper manner is now, in a sense, being taken over by the police; and what is more, they are being given extensive powers under the Bill that we should query. The existing criminal law, including common assault, ABH, GBH, threats to kill, harassment and so on, covers a great deal.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): I am enjoying listening to the hon. Gentleman's contribution to the debate, but do the provisions in the Bill not answer my concern, which I have had for quite some time, that often the police will be called to attend premises where domestic violence is clearly taking place and yet the victim of that violence will usher them out and say, "No, please, go. I don't want to press any charges. I don't want anything to happen."? Often the police are frustrated, knowing that they will be called back time and time again, on subsequent evenings or possibly even the same evening, whereas the powers in the Bill give them the ability to ban the perpetrator from the premises concerned, so as to create a breathing space. Is the hon. Gentleman's view on that different from mine?

Mr. Malins: Very slightly. I understand the hon. Gentleman's point, because it is frustrating for the police to turn up and be told by, usually, the woman, "Yes, he thumped me, but I don't want to go ahead." However, the hon. Gentleman should know that even in those circumstances, where the police believe that an offence has taken place, notwithstanding the view of, usually, the woman, they can go ahead and make an arrest or bring a charge under the current law. The frustrations that exist in the scenario that he has outlined will be similar to those in the situation that is envisaged in the Bill, although I accept his general point.

The Government say that there is a gap in the protection offered to victims of domestic abuse in the immediate aftermath of a violent incident. That is a Government argument, but I do not think that it is right, because of the ability of the police not only to arrest and charge someone, but, as was pointed out in an earlier intervention, to impose exactly the same bail conditions on a proposed defendant as those proposed in the Bill, or even more stringent ones. There is plenty of time for an injunction.

When the Minister winds up, will he also set out the relationship between domestic violence protection notices and other non-molestation orders in our law at present? I refer in particular to orders under the Family Law Act 1996 and the Domestic Violence, Crime and Victims Act 2004, which give identical powers to those proposed in the Bill. Is there a problem with those powers, or is there no problem with them? If there is no problem with them, what is the problem that we now need to address? Have those powers gone hopelessly wrong? Or is it—the Minister will intervene on me to clarify this—that one or more of those pieces of legislation have not yet been brought into play, like the provisions of the Criminal Justice Act 2003 on custody plus and custody minus? That was from 2003, when it was deemed terribly important to have new sentences through custody plus and custody minus. We debated them for months upstairs. It is now seven years later and none of those provisions has been implemented—what a waste of space that debate was—the reason being, of course, that there is no money to do it. Even today—I know that the Minister will correct me now if I am wrong—those provisions from the 2003 Act have still not been implemented.

Mr. Hanson *indicated assent.*

Mr. Malins: The Minister is nodding—they have not implemented. So what about the provisions in the 1996 and 2004 Acts? Have they all been implemented? Would the Minister like to intervene and tell me?

Mr. Hanson: Let me try to be helpful to the hon. Gentleman, who I know takes such matters seriously. The points made by my hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) are the driving force behind the potential implementation, should the House agree, of domestic violence protection orders. The hon. Gentleman will know that it is proposed that they should act as a pilot, so that we can look at how they work and determine whether they are a helpful addition to other proposals that will reduce domestic violence and help the victim. I hope that he will support them this evening for those purposes. I am happy to reflect on the points that he is making in his constructive speech and respond later.

Mr. Malins: The Minister, for whom I have a great deal of respect, is clearly listening. Although many of the points that I am making would be better made in Committee—I think that I am old enough now to be released from Standing Committees; after a while one gets to that stage—I thank him for what he has just said.

However, the relationship between DVPNs and other parts of statute is quite important. Let us have a brief look at what is going on. Clause 21 says that a superintendent can issue a DVPN. Well, fine—the superintendent will issue it himself or herself, but on the basis of what a police constable says. So the police constable wanders up to the superintendent and says, "Now boss, will you please issue a domestic violence protection notice?" "Well," says the superintendent, "what do you think? Tell me what's going on." So then the policeman gives an account of what is going on. "Okay. I am satisfied," says the police superintendent. "I have reasonable grounds for believing that there has been violence or the threat of violence. I will issue a notice under subsection 2(a)" which he or she does. The

[Mr. Malins]

next subsection says that the superintendent must consider the opinion of the victim before issuing a DVPN, but oddly enough the next subsection suggests that he can ignore it completely if he wishes to, although he must consider it. That is just a little odd.

Then there is the notice. I assume that the Minister will confirm that some of it involves paperwork—I thought that we were trying to stop bureaucracy and paperwork, but there must be some. Presumably the constable will have taken a written statement from the lady concerned—the Minister really must confirm that, because there is no requirement, by the way, to take one, even though they must, otherwise it will be double hearsay and the application for the order, which comes later, could not possibly succeed. Anyway, the superintendent then issues a notice saying, "You must not molest"—it stops the party molesting. "Molesting" is one word, although it is used more in our civil law than in our criminal law, for the obvious reason that "molesting", properly defined by the Chambers and Oxford dictionaries, does not amount to a criminal offence. For example, molesting means to interfere with in a troublesome or vexing way, to annoy or to pester in a hostile way. That is not exactly a criminal act, but here again, in a criminal statute—

Tony Baldry: We have non-molestation orders.

Mr. Malins: Yes, but there are more in civil proceedings.

Here is the crunch. I am not entirely happy that the police constable—it says "superintendent", but it is really the police constable—has the power in a domestic violence protection notice to evict the so-called perpetrator from his or her home. That is a serious power. In my judgment, it is a very serious power to be used when no crime is committed or charged. There is a lesser standard of proof: reasonable belief rather than the balance of probabilities or certainty.

That is a major power to give to police constables. They will be able to serve me with an order saying, "Out of your house, under penalty." I do not like it. I do not mind the courts doing it, and I do not mind the police granting me bail subject to those conditions after they have charged me with a crime, but it is a big power to give a policeman on the basis of no more than a bit of hearsay evidence.

Mr. Hanson: Again, the hon. Gentleman will know that the courts must uphold the issuing of the order.

Mr. Malins: Yes, but I am thinking of the first 48 hours, not afterwards when I go to court and say, "Thank God, I've come before a tribunal. I've had two days out of my house with nowhere to go." That is a serious thing to do on the say-so of a policeman and no other tribunal. It is a worry.

Oddly enough, the domestic violence protection notice "must" say that the application for the domestic violence protection order

"will be heard within 48 hours".

Now that is a funny one. Picture the scene: it is a Friday night, and there is possible violence. By some miracle, the constable has whipped round to the house, seen what is going on, found a superintendent, got a DVPN and filled out the paperwork; it is probably Saturday lunch time by now. He whizzes round and serves the domestic violence protection notice on me, the perpetrator. Will it be heard within 48 hours? I do not see how a substantive hearing can take place within 48 hours. An interim hearing might, but we do not talk about interim hearings here. Frankly, most courts would want a little help and evidence when they first come to hear the case.

Imagine insisting that the magistrates court hear the application on the Monday morning. It is not possible. The courts will not do it. How could they? They are so clogged up and busy. They will say, "Come Wednesday." "I'm sorry, the notice says it must be heard." In goes the defendant, as I call him; it could be me. "Can I have my solicitor present? I wish to object. Am I denied my lawyer, or can I go get him for tomorrow or the next day?" A hearing within 48 hours is difficult.

Tony Baldry: There is also a logistical issue. My hon. Friend is doing the House a great service in drawing attention to the clauses. The Bill refers to a superintendent. In Oxfordshire at night, there is usually only one duty superintendent for the whole county. At the divisional level, there is a duty inspector, and most patrols in towns such as Banbury have a duty sergeant and constables. If someone is taken to Banbury police station under one of the orders, they will then have to be ferried to Oxford. Effectively, half the police officers patrolling Banbury on a Friday night will have to leave to ferry someone to Oxford simply to find a superintendent. It cannot be done properly over the telephone, because the individual concerned must have the opportunity to make representations to the superintendent.

Mr. Malins: My hon. Friend is absolutely right. He makes a nuts-and-bolts point. The more such points are made in debates like this, the better. Where does one find a superintendent on a cold Friday night in Oxfordshire? So much for dealing with such cases with speed; it will be quite the reverse.

We move on to breach of a domestic violence protection order, assuming that an order is made after the notice. It says here that the defendant "must"—not "may"—be held in custody. Again, that removes a tremendous amount of discretion from those whose position it is to consider bail and somebody's liberty.

After a domestic violence protection notice is issued, apparently,

"the constable must apply for a domestic violence protection order".

What happens if circumstances change dramatically between the issue of the notice and the hearing of the order? The constable must still apply for an order, because it says so in the Bill. It is another troubling situation.

I asked the Home Secretary earlier about penalties for breach of an order. There is no reference whatever to any. However, the Home Secretary has not been long in the job, and I would not expect him to know the details of the Bill, although I am sure that his Ministers do. There is no provision for breach of an injunction. I assume that it is imprisonment, but the Minister will confirm.

Mr. Hanson: To help in winding up, the proposed penalties are up to two months' imprisonment or a fine of £5,000.

Mr. Malins: Are they in the Bill?

Mr. Hanson: Yes, they are.

Mr. Malins: Where in the Bill are they? I must have missed them.

Mr. Hanson: I am trying to be helpful, and the hon. Gentleman is trying to test still further. I will ensure that he gets the proper reference in due course.

Mr. Malins: I have a huge amount of time for the Minister, but that is the first time that I have been told that a penalty is in the Bill, asked the Minister where it was and been told that we do not know. Those in the Box will tell us, no doubt, as they have been listening. It must be in a clause that I have missed, but we shall come to it.

My advice to the Government is: do not just legislate. Think things through. Take on board the practical point made by my hon. Friend the Member for Banbury (Tony Baldry) and do things in the criminal justice system that actually work. This is my final tip for the day: forget some of the old-fashioned initiatives such as the night courts at Bow street. When Mr. Blair was Prime Minister, he wanted instant justice and for people to come before the courts at Bow street straight away, so that was done as a pilot scheme. What a shambles. According to official answers, 97 per cent. of the defendants were drunk and could not be dealt with that night anyway, so the cases were adjourned for weeks. Eventually, after spending an absolute fortune on getting one guilty plea over three months, the night courts were abandoned.

The Government should forget all that and stick to what is real. When somebody in a domestic violence situation hits a woman so hard that damage—blood and a wound—is caused, make sure that the police charge them with actual bodily harm, because they do not do so at the moment. They charge common assault, because it does not go to the Crown court, so they get a quick guilty plea and a lesser sentence. Very nasty violence is not being dealt with in the courts as it should be due to under-charging. The problem is endemic among police forces in the south-east, as far as I can see. We need to stick to what works, and the Minister should know that I have my doubts about the efficacy of the new domestic violence protection orders.

7.8 pm

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): It has been an extremely interesting debate so far, and I hope to add to it. First, however, I will set in context how I think the Bill—and some amendments that I hope to table if the opportunity arises during its progress through the House—will affect my constituents.

The hon. Member for Eastleigh (Chris Huhne) discussed the vast amount of new legislation introduced over the past 12 or 13 years. That toolkit of measures has been extremely useful, but my concern is that, unfortunately, some councils, including Stoke-on-Trent city council, have been hesitant even to look into the toolkit, let alone take out the pieces of equipment inside. That has now improved. The situation is markedly different from what it was three or four years ago, when it was up to me as the local Member of Parliament to hold meetings to bring communities together and to get the agencies into the same room to listen to the concerns of the communities about issues such as section 30 dispersal orders. It was a nightmare. Inspector Asha Kaur, who was the local neighbourhood police inspector at the time, had great difficulty in satisfying the local authority that the huge, 1-foot-thick volume of correspondence, information and statements was sufficient to get a section 30 order, but that situation has now improved.

We now have a much better situation in Stoke-on-Trent. We have police and communities together—PACT—meetings, for example, and we have police community support officers out there doing a fantastic job. Indeed, only recently a couple of PCSOs in the Longton area were on the front page of the local newspaper, *The Sentinel*, because they had given chase on their pushbikes to a criminal on a motorbike. They apprehended the criminal and justice was subsequently done. There have been some incredible improvements. Unfortunately, one of the issues for Stoke-on-Trent—and, I think, for much of the country—is that they are quite patchy, and there is still room to improve.

Some of the other local successes involve Inspector Sharrard-Williams, the neighbourhood inspector who covers the south-eastern part of the city. He has had some fantastic successes on Cornelius street, and I recently attended court to witness the closure order for the crack house. The legislation involved has been on the books for a while now, but that was the first instance of its use for that purpose in Stoke-on-Trent. That troubles me greatly. As I said, we have some great tools in the toolkit, but their use is very patchy. My thanks and praise go to Inspector Sharrard-Williams and the force solicitor for taking that case through to Fenton magistrates court and getting the job done.

The hon. Member for Epsom and Ewell (Chris Grayling) mentioned statistics. Some of the statistics for the south-east region of Stoke-on-Trent in the past five or six months speak for themselves. In that period alone, there has been a 43 per cent. reduction in serious acquisitive crimes, including robbery, theft of or from motor vehicles, and household burglary. That means there were 158 fewer victims in that period than in the same period in the previous year. Breaking down that figure, we see a 44 per cent. reduction in thefts from motor vehicles. That means there were 81 fewer such victims in that period than in the same period in the previous year. That is an incredible improvement for the 81 people who did not did not have to go through the trauma of waking up one morning to find that their car had been broken into, or who came back from the shops to find their car still intact. I could go on.

Customer satisfaction figures for that same period show that 94 per cent. of victims of antisocial behaviour said that they were either satisfied or very satisfied with the police response. I hope the Minister will pay tribute to all the officers in Stoke-on-Trent, and particularly to Inspector Sharrard-Williams and his team, for achieving such fantastic results.

Successful working together on these issues can be patchy, however. I attended a raid on a property in part of the Meir to deal with drug use on the premises. The police arrived and gained entry to the premises, which were in a horrendous condition. Anyone keeping animals in such conditions would rightly be arrested and prosecuted, but there was a small child running around these premises. The city council officer turned

[Mr. Robert Flello]

up within about 15 minutes of receiving a call from the police, and secured an agreement from the tenants that they would vacate the property within 28 days. That was an extremely good result, which showed how the police and the city council can work together very well. Unfortunately, as I have said, such good responses can be patchy; they are not happening uniformly across the city or, indeed, across the country.

An extremely effective local resident, a gentleman called Brian Jones, came up with the fantastic idea of mobile CCTV. This involves great long columns with wireless cameras at the top, which can be moved around the footprint of the area, as and when problems arise. That system should certainly be taken up elsewhere; and I give credit to Brian and all those involved with it.

Another local resident is Fred. I will not use his surname, but he will know who he is. He is a very forthright man who lives on the eastern side of my constituency. He and his neighbours were having problems with the local yobbos and idiots, as he put it. He got them into his front room, sat them down and asked them what the problems were. They explained that they had nothing to do. They certainly would not argue with Fred. I am sure he will forgive me for saying that he is no youngster, but he embraced the problem, got to the heart of it and came up with a solution.

So there are good, positive things happening, but there is still room for improvement. Conservative and Liberal Democrat Members mentioned antisocial behaviour orders being ineffective, being used far too liberally—if I can put it like that—and being a badge of honour. I wish that that were the case in Stoke-on-Trent, because only 12 antisocial behaviour orders have been issued there in the past year. What is the point of our meeting here, having these debates and passing legislation if local authorities are not going to make full use of the powers available to them?

On empowering local officers to issue fixed-penalty notices, I asked the city council nearly two years ago to allow people to go through the training and get a warrant card so that if they saw some mindless idiot throwing a bag of chips into the middle of the street and walking off up the road, they would be able to tackle them. Nearly two years later, I am still waiting for that training to take place.

Gating orders are a wonderful thing. They result in instantaneous improvement to an area by getting alleyways and passageways—places where teen gangs can gather and cause a nuisance—gated off. In Stoke-on-Trent, however, there is a requirement for a 100 per cent. take-up by local residents. What nonsense! What is the point of having the legislation if councils are going to use it in such a way that it becomes very bureaucratic and difficult to get through?

The legislation that we have is extremely good, but some of it is just not being used. We need to see a recognition of that in the Bill. Some of the powers in it could be improved further, and I will go on to talk about that shortly. The provisions in clauses 37 and 38 are certainly welcome, however. They include a requirement for family circumstances to be taken into account and reported on when considering ASBOs—that is, of course, if we can actually persuade our local authorities to make more use of ASBOs in the first place.

I was interested to receive a briefing from an organisation called Catch22, which outlined a number of elements that it would like to see included in any parenting assessment. I know from my previous experience outside the House, working with a Birmingham-based charity—the Malachi Community Trust—that works with young people with behavioural or mental health difficulties, that some of those elements are absolutely crucial. For example, sometimes, something as simple as improving a person's housing situation can make all the difference, and even provide a miraculous outcome not only for the family but for the whole neighbourhood. If we solve someone's housing problem, we often solve the deeper problems that are manifesting themselves in antisocial and criminal behaviour.

Catch22's briefing also mentioned the need to take into consideration a family's financial situation, debt, family breakdown, conflict and bereavement. In my experience, family breakdown can have a huge impact on the way in which families behave, and can result in antisocial and criminal behaviour.

David T.C. Davies: It took a moment to sink in: is the hon. Gentleman seriously suggesting that we should reward people who exhibit antisocial behaviour by giving them a brand-spanking-new house to live in?

Mr. Flello: I am not suggesting that at all. I am grateful to the hon. Gentleman for his intervention, because it will allow me to clarify my comments. I am saying that my experience working with organisations such as the Malachi Community Trust has shown me that families often live in desperate housing circumstances. A family of a dozen, for example, might be living in a two-bedroom home. One child at school might be struggling to find anywhere quiet to do their homework, which becomes very frustrating, leading to detachment from school life and lack of interest in school, perhaps ending with the child being drawn into gang activities. It can happen for a whole host of reasons, but I concur completely with Catch22 that this is just one area that needs to be looked at. I am not suggesting that there should be a reward mechanism, but I will come back to the point when I talk about family intervention projects.

Worklessness or, indeed, having to work long hours away from home can impact on children and create many difficulties with their behaviour. Mental health issues and drug or alcohol dependency in the family should also be on the list. I ask the Minister to look at the Catch22 briefing paper as it relates particularly to clause 37, because it is important to have a wide-ranging assessment of the parental situation rather than to focus solely on whether the parents have control over the young person in question.

Having said all that, I have some concerns that in cases where local authorities are hesitant to use antisocial behaviour orders, particularly where young offenders are concerned, these alternatives might be used as a further excuse not to go down the route of imposing ASBOs. I am concerned that where parental orders and the reports on family circumstances are being looked at, these will not be used as an excuse by a local authority to avoid going down that route at all.

I mentioned family intervention projects. I have seen such projects for myself in Stoke-on-Trent and I was extremely impressed by them. I met one family living in

extremely inadequate housing. Both parents were drug users, while the daughter was herself a parent but took no parental responsibility, preferring to spend all day in bed, and the son—of primary school age, but close to secondary school age—was truanting. The family intervention project went in and literally transformed the lives not only of this family, but of those in the surrounding area, whose lives had been blighted.

The last I heard was that the mother was off drugs and attending college with her daughter, who had stopped spending her day in bed and was now taking parental responsibility for her own child. The father was doing his best to get clean of drugs, and the son was at school, enjoying it, doing well and thriving. This was a complete transformation, as I said. Yes, it is expensive; yes, it is a lot of hard work; yes, it takes dedication—but it works. I certainly welcome the Prime Minister's announcement on tackling the 50,000 most challenging families in the country. That project needs resources and work put into it; anything that can be done through this Bill to strengthen that would be a very positive thing indeed.

Let me move on to what I believe is an omission from the Bill. An investigation of an issue that has been a concern of mine, and, more importantly, of many of my constituents—certainly for as long as I have represented them—is reported in today's *Daily Mirror*. I do not think of myself as a killjoy; I like a drop of alcohol from time to time, as do many people. I like to think that I control it, rather than it controlling me. Unfortunately, however, as reported in this article, there is a culture of pubs opening up with the mentality of "Have all you can drink for a tenner". We need to address the problem of alcohol misuse, which is taking place on a huge scale.

Sadly, Stoke-on-Trent tops some of the league tables on various negative things, one of which is alcohol misuse. I petitioned some of my local residents groups and asked them for their views on a particular issue, on the basis of which I hope to table amendments to the Bill in Committee. That issue was drinking in public. At the moment, it is possible for the local authority to ban drinking in public in a city centre or to bring in alcohol restriction zones in particular residential areas where there are problems. So far as I am aware, however, local authorities do not have the ability, in consultation with residents, perhaps through a referendum, to ban all drinking in public, save in designated picnic areas across the city.

At the moment, some residents may feel that their area is tainted by being designated an alcohol restriction zone. In other areas, such as privately owned shopping arcades, the owners might be too liberal in allowing people to sit on the steps drinking cans of strong beer from an early hour of the day. That problem blights people's lives. I see no excuse for or reason to allow people to walk up and down residential streets from early in the morning, drinking alcohol or hanging around in parks where children are trying to enjoy themselves in play. I shall be looking to table an amendment to bring in a provision whereby a local authority, perhaps through a referendum of the public, could bring in an authority-wide ban on drinking alcohol, save in certain areas designated as picnic areas where alcohol is allowed.

Domestic violence is another issue. I enjoyed the contribution of the hon. Member for Woking (Mr. Malins). I intervened in his speech on the issue of the victim not wishing to pursue action against the perpetrator. The police can indeed arrest the perpetrator—or the alleged perpetrator—but that arrest is often followed by no further action being taken because the victim does not wish to press charges. It may well be that the following morning or 24 hours later, the perpetrator is released and goes home, only for further domestic violence to ensue.

I recently went out with a police constable one Friday night and we were called out to a particular home. The officer told me, "I know where this house is; this is not the first time I have been called out here." It was a domestic violence incident. We arrived to find that other officers had arrived slightly before us and had taken charge of the incident. As we left, the constable told me, "We will be back to these premises again tonight. This will not be the only time we'll be called out here, but the victim never wants to press charges." Sadly, all too often in this situation, women—it is predominantly women—who are the victims will, for a whole host of reasons often including the fact that they love the perpetrator, refuse to press charges. Some of us find that hard to understand, but it is nevertheless the case.

As I see it, the benefit of being able to apply these orders is that police officers will, under instruction from their superintendent—I take the point about only one superintendant covering the Oxfordshire area—be able not only to arrest the alleged perpetrator, but to take him back to the police station, at which point the notice can be served. Rather than being released a few hours later to go home and continue the cycle of violence, the order will mean a two-week, or perhaps longer, window of opportunity for the relevant agencies to work with the victim. One hopes that we will reach a point at which the victim says, "Enough is enough." It is right to move things on and to tackle the victim-perpetrator relationship so that the ongoing cycle of violence does not continue.

John Hemming (Birmingham, Yardley) (LD): I recognise the difficulty that the hon. Gentleman mentions. A number of victims have told me that they feel out of control of the situation when they ask for help. Does he agree that we must be very careful not to create a situation in which victims suffer in silence because they feel they will not have control over what will happen if they ask for help?

Mr. Flello: I am grateful to the hon. Gentleman for that intervention. He makes an extremely good point, and it brings me on to my next point, which is that financial intimidation is often a factor in domestic violence, in that the victim, who is often a woman, might think that she will be made homeless. She will often have children, too, and she will be considering their needs. She might feel that if she takes the children and leaves the family home, she will be more vulnerable. There is further intimidation—a further level of domestic violence—in such mental cruelty being heaped on to somebody already suffering in an abusive relationship. The orders give breathing space, by in effect saying, "No, you don't need to leave your family home; you don't need to take your children at dead of night and get away. Actually, it is the person creating the problems in this relationship who has to go," thereby creating some safe space around the family to sort out what to do next.

[Mr. Flello]

The National Society for the Prevention of Cruelty to Children has issued a briefing, which many hon. Members have probably read. It talks about the current official definition of domestic violence, which is

"any incident of threatening behaviour, violence or abuse (psychological, physical, sexual, financial or emotional) between adults who are or have been intimate partners or family members, regardless of gender or sexuality."

I entirely agree with the NSPCC's point that that definition fails to capture the impact of such abuse on children. Where children have witnessed—perhaps for many years—ongoing domestic violence, their perceptions of what is a normal, healthy adult relationship can be extremely tarnished, and sometimes, although by no means always, their own relationships in future years are very damaged by what they have witnessed. The Bill must take note of the fact that children can be silent victims. The main victim—very often a woman—is the physical victim on whom the violence is being inflicted. However, any children witnessing it—even if just remotely, such as by being upstairs and hearing the shouting and sounds of violent activity—can be extremely damaged by that. The Government, and certainly the Department for Children, Schools and Families, should consider offering greater support through the schools network for young people who have witnessed domestic violence in their home.

I understand that there are to be pilots for the Bill's domestic violence programme, and I would like to make a plug for Staffordshire. We have already heard some extremely positive comments about what Staffordshire has achieved in minimising form-filling, and I would like it to be considered as a possible location for a pilot.

The hon. Member for Epsom and Ewell said that prison security is a much greater issue, and phone smuggling a much more common crime, than 12 years ago. Over that period, the availability and use of mobile phones among the general population has increased a lot, and the size of handsets has reduced dramatically. He may not realise that mobile phones are getting smaller, but the inmates who smuggle them into prison via their bodily orifices have realised that. Phones are being routinely and regularly smuggled in, and that is a problem. I see that my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism is shifting in his seat; I hope he is not reaching for his phone to check the size of it. *[Interruption.]* I knew I would get his attention one way or another. *[Interruption.]* That is an extremely chunky phone. The smuggling of phones into prison is a problem, but that is not a result of lax security—of it somehow being worse now than 12 years ago. It is simply a fact of life that mobile phones are smaller and more accessible, and component parts are more easily taken apart and smuggled inside.

I fully support the measures to address this problem, and I wonder whether their scope should be widened to include police cells. Visitors, and even staff, are not the only external parties who smuggle phones into prison. Often, prisoners being taken straight to prison from the courts are already in possession of a phone. That is an issue, too.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The hon. Gentleman is making very interesting, if also slightly lurid, comments about mobile phones. Would it not be simpler for prisons to employ the same systems that are now being employed in theatres? They are used by the military, too, and they jam all mobile phone signals.

Mr. Flello: I am grateful for that intervention, because it brings me nicely on to my next point, which is about jamming equipment. It is not only the military who are exploring that. I gather that some hotel chains routinely install jamming equipment so that residents are more inclined to use the hotel's telephone system than their own mobile. Perhaps that is just an unfounded allegation, but I understand that it does happen.

There does not necessarily need to be jamming equipment. Prisons could be constructed in ways that minimise the possibility of getting a mobile phone signal. Certainly, some of the offices in and around Parliament seem to have been constructed in a way that minimises that. This afternoon, as I was on my way to the Chamber, I could not get a signal on my mobile phone, even though it was telling me I had a couple of new messages. Therefore, as well as the active jamming of signals, there are also passive methods that can be used to make getting a signal impossible. That is particularly important for those prisoners whom we do not want to be able to have any such communications—but such people have been caught using laptops, logging on to the internet and creating websites. That important point was missed by the hon. Member for Epsom and Ewell.

The legislation that is already in place needs to be looked at, too. There are some 3,000-odd measures, which are important tools in the toolkit, and they should be used. I would like the Home Office to do some work on which local authorities are using the powers that are available, which do not use the full range, and which use them only very rarely.

One overlooked area of legislation that needs to be considered involves pubs that serve people who are clearly drunk. This is of relevance to my point about alcohol misuse leading to many crimes. If an area, such as a city centre, increasingly becomes a place where, fuelled by alcohol, criminal activity and antisocial behaviour occur, we should look at the pubs or nightclubs in that area that are serving people who are clearly drunk and who then go out on to the streets and cause problems.

My final point is about an issue that might be addressed in an amendment to the Bill. I am currently dealing with a dispute between two neighbours. The police have done everything they can within the law to resolve it, and the local authority has done everything it can to resolve it, too. They have concluded that it is a lifestyle difference between the two neighbours, but I am concerned that the neighbour who is suffering—who is at the receiving end of what she perceives to be the problems—is becoming more and more traumatised. In such situations, the local authority and the police say that nothing more can be done. Given some of the tragedies that have gone before, we need to consider whether there is a further provision that we can introduce in the Bill to identify a problem and try to find a solution that is not already covered by legislation. However, that matter would be better brought up in Committee.

I am grateful to the House for listening to my comments. The Bill is good in principle, but a lot of it needs further detailed scrutiny, and I would like to table some amendments at a future date.

7.40 pm

Tony Baldry (Banbury) (Con): The hon. Member for Stoke-on-Trent, South (Mr. Flello) spoke for nearly 40 minutes, so I can only assume that the Whips, believing that there was a somewhat thin turnout on the Government side, had exhorted him to go long. He clearly had not appreciated that the cavalry had arrived, in the shape of the right hon. Member for Harrow, East (Mr. McNulty) and the hon. Member for Eltham (Clive Efford). As some seven Members appear to wish to speak, I shall try—if the right hon. Gentleman is able to contain himself—to ensure that my remarks are as concise as possible.

I wish to focus on just two clauses—namely, 39 and 40, which relate to wheel-clamping. I have never had my vehicle clamped, but clamping appears to be one of the few growth industries under this Government. I find it objectionable that so many of our fellow citizens are being ripped off by wheel-clampers. As I have been selected to serve on the Public Bill Committee, I obviously look forward to contributing to detailed scrutiny of the all other parts of the Bill, too, but I am not clear how Members will be able to scrutinise properly in Committee and on Report a Bill of 46 clauses and a schedule in the time left before we have to dissolve for the general election, let alone how we will be able to send it to the Lords. There is thus a sense that this is all distraction politics while the Prime Minister and the Government mark time until the final rising of this Parliament on 27 March. Frustratingly, I suspect that because of the timetabling and guillotining provisions, the chances of any proper scrutiny of clauses 39 and 40, which come near the end of the Bill, in Committee is almost zero, although, as the House knows, I am an inherent optimist.

Banbury, whose population makes up about a third of my constituency, is a town of about 40,000 people. It is a good-sized town, but not a large town. In fact, it is the 232nd largest town in the UK by population. I discovered that last year on a day I selected completely at random—20 November—40 vehicles were clamped in Banbury. On the basis of the "fines" that were imposed that day on my constituents and on the basis that a random Friday in November is an average day, there is a minimum—I stress that this is a minimum—income to the clampers of £2,000 per day. If one completely ignores the so-called "towing fees"—if one assumes that those vehicles were simply clamped and people were not also charged for towing—that represents £672,000 per year to the wheel-clampers just in Banbury. However, as we all know, a considerable number of people get charged for "towing", even if their vehicles are not towed. So in just the town of Banbury, which is the 232nd largest in the UK by population, my constituents pay getting on for £1 million a year in clamping penalties.

This is an abuse of the law and it must stop; wheel-clamping has become a state-sanctioned extortion racket. It is estimated that in any one year 10 per cent. of motorists are fined or clamped by private contractors in what is becoming an increasingly lucrative industry. Paul Watters, the AA's head of public affairs, has observed:

> "Private parking enforcement is big business generating millions of pounds and no-one notices and acts when the rules are broken. The public have absolutely no protection if a private parking firm acts unfairly—it is a civil matter and no-one is interested in helping... At least there is proper machinery when it comes to dealing with local authority fines."

Wheel-clamping is out of control. The number of vehicles that are clamped has risen by 75 per cent. in just the past 19 months, and 2,100 individuals are licensed to clamp, which is an exponential rise from 1,200 in March 2008 and 1,900 in April 2009. Professor Stephen Glaister of the RAC Foundation has observed:

> "The figures reveal more and more people are becoming clampers because the business is so lucrative and the law surrounding it so lax...With charges for being clamped and towed often running into several hundred pounds, cowboy clampers"—

are—

> "on the lookout for motorists who leave their car in the wrong place even for a few minutes".

He went on to say:

> "The huge rise in licence holders"—

those licensed to be wheel-clampers—

> "proves the Government needs to act quickly. It has promised a cap on fees, an appeals service and a binding code of conduct. In 2010 it needs to deliver."

It is questionable whether this Bill will deliver, because it is unclear what, if any, of those promises it will deliver.

It is estimated that the private clamping industry is worth about £240 million a year, and there are clearly a number of rogue companies taking advantage of the public. Tens of thousands of drivers, whose vehicles are clamped on private land, can be charged anything up to £800 because the clamping companies can set whatever fees they wish. Nowadays, wheel-clamping has almost always become legalised extortion.

People are worried not only about the clamping, but about the attitude of the clampers. In a recent letter to the *Banbury Guardian*, a local resident observed that his

> "lasting impression of the whole experience is not the dent to the finances but the unprofessional behaviour of the clampers.
>
> The two 'officials' stood inches from my face in stain-covered tracksuit bottoms. Their vehicle had two broken wing mirrors, cigarette packets fell out on to the floor when they opened their...door and the documentation I was presented with looked like it had been designed at the Early Learning Centre."

The letter wisely concluded that

> "we need traffic enforcement, but like any other process where money is demanded from a member of the public it should be regulated."

Of course, if a vehicle is trespassing, clamping is not a particularly effective means of releasing that space, as has been clearly recognised by the Department for Transport and local authorities. Indeed, in respect of provisions in the Road Traffic Act 1991 and the Transport Act 2000, the guidance published alongside the Removal and Disposal of Vehicles (Amendment) (England) Regulations 2007, which came into force in March 2008, observed the following:

> "Very few authorities now use immobilisation. The Secretary of State is of the view that it should only be used in limited circumstances such as where the same vehicle repeatedly breaks parking restrictions and it has not been possible to collect payment for penalties, primarily because the keeper is not registered, or is not properly registered, with the DVLA. Where a vehicle is causing a hazard or obstruction the enforcement authority should remove rather than immobilise. Immobilisation/removal activity should only take place where it gives clear traffic management benefits."

[Tony Baldry]

The Government, the Department for Transport and local authorities do not believe that it is sensible to clamp, yet they allow all these rogue clampers to go around clamping on private ground.

What, in reality, is happening if a vehicle parks on private land? It is a civil matter, a tort and a trespass, and the damages should be equivalent to the compensation for the damage to the land done by the trespasser—in most instances, this is zero or minimal. If the damage consists in a vehicle being parked, clamping, which obviously prevents the vehicle from being moved, increases that damage. Thus, this is little less than self-inflicted injury by the landowner. What is all too often being extracted is not the equivalent of civil compensation, but, in effect, a punishment. It has been a long-established principle of English law that one private citizen cannot legally punish another for his conduct. I suggest to the House that those who charge £200 or more to release cars that they have clamped on private land are doing little more than extorting money from innocent people.

Bizarrely, the Government are conniving in this extortion, a point that was made by the Chairman of the Select Committee, the right hon. Member for Leicester, East (Keith Vaz). The DVLA is selling drivers' names and addresses to clamping companies. It made more than £4 million in 2008 by selling the details of some 1.6 million drivers. It has sold drivers' details to companies notwithstanding the fact that it is often aware of businesses that repeatedly double-charge drivers for parking breaches and charge inflated bills for spurious charges.

Eventually, I am glad to say, the Government recognised that this is a public mischief that needs to be addressed. The right hon. Member for Redditch (Jacqui Smith), when she was Home Secretary, observed:

"There are clearly a minority of clamping companies indulging in unacceptable behaviour including unclear signage and excessive fees."

As is usual with this Government, they launched a consultation and told the press what they hoped it would deliver. Way back in April of last year, *The Daily Telegraph* reported:

"The Home Office wants to set a maximum penalty charge—likely to be £135—to stop cowboy clampers fleecing the public.

Clamping firms will also have to prove vehicles had breached parking restrictions and will be forced to make warning signs more obvious and visible".

By October, the Home Office had briefed the press that Ministers had proposed a £125 maximum charge for removing a clamp, a £250 ceiling for returning a car that had been towed away and a ban on double-charging—that is, it would not be possible to levy both the clamp removal fee and the tow-away fee. A Home Office press notice stated:

"Proposals within the bill will make it mandatory for all wheel clamping businesses to be licensed under the terms of a strict code of conduct. The code will include a cap on fines, time limits on towing cars unreasonably quickly after being clamped…Ministers are also looking to introduce an independent appeals process for motorists who feel unfairly penalised by firms and their employees."

The only problem is that those changes are not provided for in the Bill.

Clause 39 takes up approximately 150 lines of the Bill, and it does just one thing. Whereas at present individuals who engage in wheel-clamping are obliged to be licensed by the Security Industry Authority, the clause provides that businesses should also be licensed by the SIA. All it does is ensure that whereas nowadays individuals are regulated and licensed, in future businesses will likewise have to be licensed. There is no mention of a statutory code of conduct or of what would be in such a code. Notwithstanding the fact that individuals will have to be licensed by the SIA, it is clear from the exponential growth in the number of wheel-clampers and in their take that despite Government efforts to control the industry it is effectively a state-sanctioned extortion racket.

Clause 40 simply extends the powers of the SIA's approved contractor scheme to allow in-house private security services to apply for approved status. As the explanatory note comments:

"This is a minor extension of an existing scheme".

So there are no proposals in the Bill to cap charges or to control the activities of wheel-clampers. The Secretary of State made such a fleeting reference to this subject in his speech that it was missable.

We will need to be given some real assurances and undertakings in Committee by Ministers that they are intent on introducing a code of conduct for wheel-clampers that will give motorists protection. Otherwise, all they are doing in this Bill, as is so often the case, is giving the impression of dealing with a public mischief—rogue wheel-clamping—without actually tackling it. They give the impression that they will do something, but nothing will come of it. I hope that this Bill, if it gets through, will do something to tackle rogue wheel-clampers. There is a lot more work to be done, many more undertakings to be made and a lot more that we need to hear from Ministers in Committee before Report and Third Reading if we are to be convinced that they mean business.

7.55 pm

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): This is a wide-ranging Bill, and I originally intended to speak about the provisions on wheel-clamping, as the hon. Member for Banbury (Tony Baldry) just did, on antisocial behaviour orders and parenting orders, on DNA and fingerprinting and on gang-related violence. However, I must take this opportunity to refer to the provisions on domestic violence.

The hon. Member for Woking (Mr. Malins) earlier pointed out that domestic violence is often not physical. I would agree with that. The violence can be mental, emotional, psychological or sexual and will often originate not just in disputes between husbands and wives, partners and so on. Abuse can be against elders, and it can also be honour-related. Increasingly, we are seeing evidence of that in the courts.

The provisions in the Bill—this is all I want to say on this point, because a lot of what I was going to say has been brought to the attention of the House by my hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello)—are firmly supported by the Association of Chief Police Officers. It is ACPO's firm view, as expressed in evidence to the Home Secretary:

"In many incidents, the victim is in no fit state, physically or emotionally, to make complicated and life-changing decisions regarding her safety, residence…and the well-being of her children at the time when the police are investigating an incident or offence."

It is quite clear that there are occasions when an individual is released without charge or without being placed on police bail, partly, sometimes, because the woman concerned—it is more often a woman than a man—is in no fit state to make decisions about whether to bring charges or to make the necessary decisions to react to the incident that she has just suffered. She needs the protection and time to make the necessary decisions on future steps to secure her safety and, more often than not, that of her children. I agree with ACPO and think that the provisions in the Bill are sensible. They represent an intermediate step that can help women, in particular, to deal with the situation in which they find themselves.

I want to refer to the wheel-clamping provisions. I agree with much of what the hon. Member for Banbury said, but I would add that many drivers and motorists across the country would argue that it is not just wheel-clamping that is the problem, but private parking services per se. Many of my constituents complain to me that companies such as Excel—no doubt I will get another nasty threatening letter from that company as a result of this speech—fleece customers. Such companies' signage is appalling and they fine customers on the basis, sometimes, of parking slightly over a line in a parking space. The signage is so unclear that motorists do not know whether they have broken the rules or not, and the DVLA is passing on the information about these motorists to such companies. In addition, companies such as Excel offer no appeals process whatsoever when it comes to the penalty notices that they issue for so-called parking offences. I hope that the Bill can be extended to cover some of these issues. Problems with private parking provision are raised repeatedly in the media nowadays, and I hope that the Bill can be extended to do something about it. I would welcome the Minister's comments on this issue.'

Let me move on to refer to the provisions in the Bill that deal with ASBOs and parenting orders. I support these provisions wholeheartedly. Many parents who find that their children end up in court to discuss whether an ASBO should be issued want to help their children but find that they are often not equipped to do so. Parenting orders are therefore an essential part of the ASBO package. There are parents who do not want any support or help in handling their children. They have a completely different attitude. For that reason, the provisions in the Bill are welcome. We need to focus in the immediate future on that hard core of parents who do not care about the impact of their children on the local community. I welcome the Home Secretary's prioritisation of that.

Parents who want to help their children keep out of trouble and stay on the straight and narrow are best helped before their children end up in trouble. The Government have done a great deal to pilot initiatives in schools in order to involve parents in their children's education—for example, through home to school liaison officers and support for adults in schools, helping them to deal with their own literacy problems and involving them in the education of their children. However, much of that piloting has not been mainstreamed, usually because the funding has been ring-fenced or temporary, and there has not been a proper evaluation of the effectiveness of such interventions and the mainstreaming of parenting support in the education system.

The provisions need to be matched by a serious analysis of how best we can support parenting within the education system. That is the best place for intervening with parents and helping them to support their children. Sure Start is based on that principle, and I am convinced that we should see that throughout the primary system and the secondary system, wherever necessary.

On the DNA provisions, I agree with hon. Members who have expressed grave concerns about the Government's movement on the European Court of Human Rights judgment. The Government have not gone far enough in responding to the judgment. For me, the very articulate speech from the right hon. Member for Haltemprice and Howden (David Davis), who is no longer in his place, summarised the range of reasons why the Government have not gone far enough in implementing that judgment.

Someone who is innocent is innocent. I accept, however, that within the large pool of people who have been arrested for various offences there is a degree of complexity that makes it difficult to argue that one kind of person arrested is the same as another, so I disagree with the Liberal Democrat position. We need to examine more carefully the massive range of complexities involved in the pool of people who have been arrested by the police and released without charge, charged with an offence and found not guilty in court, and so on.

A young girl caught shoplifting at 13 is often taken into police custody, given the fright of her life and released without charge, with a caution, precisely because the police do not want to criminalise that young woman. At that stage, the police's view is that the experience of being arrested and put in a police cell will, more often than not, probably be enough to put that girl on to the straight and narrow. That, together with a strict word with the parents, is often seen to be the means by which the police can avoid turning her into a convict and putting her on a path to criminality in the long term.

It is a contradiction, therefore, to say that that young woman's DNA should be taken and kept on the database for X years on the basis that her arrest means that she is more likely to commit an extremely violent and serious offence in the future. The Government's argument does not relate to whether an individual who has been arrested once is likely to be arrested for a minor offence in the future—another disorder offence or another drink driving offence. The arguments have been about rape, murder and the most serious forms of physical violence.

In some cases DNA is taken from people who have been given fixed penalty notices for extremely minor offences that are not even recordable or arrestable. I find it appalling that it can be assumed that such people, or the vast majority of those who have had their DNA taken because they shoplifted as a 13-year-old, are far more likely than the general population to commit an extremely serious crime in the future. The right hon. Member for Haltemprice and Howden was right to say that often people find themselves on the receiving end of a demand for DNA because they have been in the wrong place at the wrong time. The building of the DNA database has often been incredibly random.

Members in the Chamber will know that I am not given to opposing the Government at every twist and turn. It is not my way of doing business, but on this issue I do not think the Government have gone far enough. That does not mean, however, that I will vote against

[Ms Angela C. Smith]

Second Reading tonight, or even abstain. The Government have moved to some degree to implement the European Court of Human Rights judgment and should be given the chance to respond in Committee and on Report and Third Reading on this important part of the Bill. I will push the Government for a fuller implementation of the judgment that takes account of the complexities of the issue more clearly, but that does not mean that I want to jeopardise the other provisions in the Bill on account of that one disagreement. In that, perhaps, I differ from some of those who have spoken in the Chamber today.

Finally, the provisions on gang-related violence have hardly been mentioned in the debate, but I consider them extremely important. I support wholeheartedly the extension of the provisions in the Policing and Crime Act 2009 to a younger age group—specifically, the 14-to-18 age group. The problem is not new. From what we read in the media, most people would believe that gang-related violence is a symptom of the new millennium, but that is clearly not case. Mention gang-related violence to anybody over the age of 70 or 80 in Sheffield, and they will quiver with fear and talk about the Mooneys, one of the most dangerous gangs ever to have operated in the city of Sheffield, especially in Sheffield, Attercliffe. That does not mean that my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) has to deal now with a problem on a similar scale. He does not.

We have had gang-related violence in the past. Sheffield had it in the 1930s and London in the 1950s and 60s. It is not a new problem. Such violence is not related to the use of guns or knives. It is an age-old problem, but we need to deal with it. The emergence of postcode gangs is a new development and an extension of the old form of gang warfare which I find particularly worrying. The use of the internet and mobile phones makes it so much easier for such gangs to organise. I do not know whether any hon. Member in the Chamber has had a good look at some of the internet sites of postcode gangs. They are terrifying. One sees very young individuals, typically aged 12 upwards, in balaclavas and uniforms, handling what look like terrifying weapons—guns, knives and so on. More often than not, we see cannabis leaves and cannabis on those websites. I have raised the matter with the local police, and they point out the problem that one cannot prove that what is being smoked in video clips on such sites is genuinely cannabis, or that the guns and knives are anything other than replicas. The situation is very difficult, but my point is that those sites are meant to intimidate and terrorise, and they exist throughout the city of Sheffield. The S3 and S4 gangs are particularly difficult, and we have had gun-related gang killings in Sheffield. One case went to Crown court recently, and it resulted in long life sentences for two or three individuals. There are gangs in S6 and S12, too. Whatever the postcode in Sheffield, there is likely to be a gang attached to it.

We need to do something about that problem, because it absolutely terrifies the communities that make up cities such as Sheffield. When I was a councillor in Attercliffe, we had a problem with a gang that was peddling drugs and taking control of the neighbourhood. Tackling that problem took a partnership between the police, us councillors, and local residents, who had to be given the confidence to gather the necessary information to nail the gang leaders. But we reached the point whereby news about a private meeting that had been called to discuss the issue got out to the local community, and we ended up with almost 100 people in the hall. They did not care that the meeting was private; they turned up because they wanted to discuss the issue. It had become so serious that their lives were being seriously hindered and hampered by the behaviour of that gang of young people, who were led by the children of one family—peddling drugs and causing havoc. I therefore stress the need for such partnerships, which involve elected representatives, to deal with those issues.

Michael Fabricant: I am listening to the hon. Lady with considerable interest, and particularly with regard to the websites that she just mentioned. I fully understand that it may be difficult to prove that people are smoking cannabis or handling real guns, but has she investigated, or does she know whether the police have investigated, any way in which they might just close down the website and, therefore, stop communication between gang members?

Ms Smith: I thank the hon. Gentleman for that intervention. The police say that a ten-minute Bill, making it either easier to close those sites down or harder to set them up in the first place, is probably the way forward. However, gangs are increasingly tuning into the use of the web as a way of threatening and intimidating people, and that is very worrying.

Some people will oppose the Bill, saying that the measures on 14 to 18-year-olds employ a lower standard of proof, but we do not have any real choice, because some of the activities in which those gang members are involved are so extreme. Serious crime is being perpetrated by the users of guns, knives and—this is why I have raised the issue—dangerous dogs. I was absolutely delighted to hear the Home Secretary make it clear that he believes that, increasingly, gang members are using as weapons not just knives and guns, but dogs. A dog that is dangerously out of control is as dangerous as any gun or knife. I look forward to the Minister's comments on that issue, because we must ensure that the gang-related violence provisions that are extended to that younger generation are applied equally—regardless of the weapon that they employ.

In London, in particular, there is a growing problem with the use of dogs as dangerous weapons—so much so, that the Greater London authority is pressing for changes to legislation on the issue. There has been a nineteenfold increase in the number of dangerous and status dogs in London since the early 1990s. The problem is emerging in Merseyside and Birmingham, too, and it will not be long before we see it in Sheffield and other cities and communities throughout the country.

It is my firm view that we must look again at the dangerous dogs legislation, and strengthen it. We need to strengthen the penalties for gangs, in particular, and the police's ability to respond to gang members' use of dangerous dogs as weapons. We need also to give the police the tools that they need to deal with the issue, and that means increasing the penalties that are available to the courts to deal with people who own dogs that are dangerously out of control and endangering innocent people in our communities.

The provisions on gang-related violence are to some extent supported by strong legislation on the ownership of a knife, and how and when one carries it, and on the

ownership of guns. We have strict legislation on knife and gun ownership, and I applaud it. No way would I want this country to liberalise the ownership of those weapons as the United States has. However, we need to think more seriously about supporting the provisions on gang-related violence, particularly those involving the use of weapons. We need to make sure that our dangerous dogs legislation is just as tough and effective at ensuring that individuals do not deliberately use dogs to intimidate, threaten, injure and, sometimes, kill other individuals.

8.16 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): May I first declare an interest? I have practised in the family and criminal courts for more than 30 years as a solicitor and as a barrister.

It is self-evident, to me at least, that the problems we have discussed today are real. The moot point is whether we have the right answers. Today's problems cannot be addressed effectively by eroding civil liberties, and there has been enough talk about the balance between the freedom of the individual and the all-important security of society. Of course that is important, and it should be as central to this debate as to any other, but many people believe that the scales have fallen too heavily on the side of the interests of the state, at the expense of guaranteed rights that we have recognised for centuries. Those rights and freedoms meant that we stood out as an example of a civilised system that provided for the interests of the individual alongside the interests of society or the state. That used to be the situation, at any rate.

Recently, Amnesty International published a report on the state of the world's human rights in which the then secretary-general said that giving one group of people security at the expense of other people's rights is bound to fail, and that many anti-terrorist measures and laws have failed because they do not give that element enough consideration. They have, she said,

"done little to reduce the threat of violence...and much to damage human rights and the rule of law."

The tension between this form of legislation and human rights has led to several recent cases in the Strasbourg Court. There are genuine concerns in this Chamber and there will be in the other place. I do not make these points simply to play politics; it is my sincere belief that there are some very bad and insidious parts of the Bill. I do not impute any wrong intentions to the Minister for Policing, Crime and Counter-Terrorism or to any of his colleagues. However, I believe that some of this legislation must be thought through a great deal before it can go through.

Here is another crime Bill, a pre-election one. As always, it contains some sensible measures; tucked in with them, however, are measures that are not sensible and even insidious—a continuation of the sad trend to which I have alluded. But I should say that I welcome without qualification the proposed provisions on airguns. I also accept and appreciate without qualification the compensation for victims of terrorism abroad—indeed, I applaud it. We will have to see how the legislation on wheel-clamping works out, but I am pleased that the Government are recognising the problem.

I shall now attempt to explain—hopefully in short order—why I do not think that the provisions on domestic violence are necessary. That is not to say that I underplay the problem of domestic violence. I practised in that area of law for many years and know how awful that problem can be. I agree in large part with what the hon. Member for Woking (Mr. Malins) said. It is my belief that there is sufficient provision to deal with what the Bill proposes to address. We do not need to introduce a plethora of new legislation; we should ensure that the current legislation is properly employed. That is an honest response to that aspect of the Bill.

On fingerprints and DNA samples, we know that the Government are seeking to address the judgment of December 2008, which held that

"The blanket and indiscriminate nature of the powers of retention of the fingerprints, cellular samples and DNA profiles of persons suspected but not convicted of offences"

breached the

"right to respect for private life"

under article 8 of the European convention on human rights. I would say further that the right to life is an absolute right, although it can be limited in certain cases. This general case, however, has not been made out.

Earlier, there was much talk about the preferable system in Scotland, which probably has the right balance. It is worthy of further consideration.

It has been said before but I feel obliged to say it again: every person has the right to be presumed innocent until the opposite is proven, and acquitted persons must be treated in the same way. The national DNA database risks stigmatising people, as inclusion on the database leads to the perception that suspicions exist in relation to that person—as somebody said earlier, "no smoke without fire". The retention of samples and profiles of unconvicted people may be especially harmful in relation to children; currently, unconvicted children and minority ethnic people are hugely over-represented on the database.

The proposed replacement measures in the Bill are really and truly only a marginal improvement on the existing regime. Those arrested but not charged or convicted may still have their DNA profile kept on the database for at least six years and as many as eight. In the view of Justice, retaining the DNA profile of an innocent person for six years is both excessive and unnecessary. The organisation opines that the Government have failed to follow the much more appropriate model in the 1995 Scottish legislation, under which the DNA of persons arrested but not convicted is destroyed following an acquittal or a decision not to charge. If they are enacted, the Government's proposals would replace the existing "blanket and indiscriminate" retention policy with one that is only slightly less sweeping and is still disproportionate.

The other thing that I find a little concerning is that a chief police officer will make a decision on whether to extend that time, based on national security needs. I am not being disparaging of the police, less still of senior officers; my own brother is a fairly senior officer in north Wales. However, I do not think the police are necessarily qualified to decide on what is a security issue. As somebody said earlier in this interesting debate, the police are there to do their job and to do it in any way they can: they want to maximise convictions and to bring down crime rates, and that is to their credit. However, some elements within the police might be over-zealous in the way they go about it, and that is a problem.

[Mr. Elfyn Llwyd]

Under-18-year-olds arrested for a recordable offence but not convicted will have their fingerprints and DNA retained for three years unless the offence is a qualifying offence of a sexual or violent nature and the child is aged 16 or 17, in which case their fingerprints and DNA will be retained for six years. Neither of those more limited periods of retention applies if the chief officer for a particular police area determines that that is necessary for the purposes of national security. A determination to that effect can be made every two years, and there is no limit on the number of such determinations. Effectively, then, an unconvicted person's DNA could be retained indefinitely despite the European Court ruling of December 2008. Since then, the four Welsh police forces have added 23,778 DNA profiles to the database, and only 10 have been removed. That shows how difficult this is. I am sure we have all had experiences of trying to assist constituents who feel hard done by under this provision. It really is a disgrace, because it can genuinely affect people's lives in many different ways, including their job prospects. To put it in a simple form of words, it is not fair.

Looking at the DNA regime in general, there is the whole notion of a person who has been arrested having a greater tendency to reoffend. Evidence from the Jill Dando Institute is not exactly evidence that one can heavily rely on. Mr. Justice Beatson, the outgoing president of the British Academy of Forensic Science and a High Court judge, has referred to research in this area as being less than convincing. He says:

> "The issues involved raise difficult scientific and technical questions, and the policy choices in this area also have constitutional and civil liberties implications. The need is for an objective, impartial and balanced assessment in which the public can have confidence. Bearing these factors in mind, I suggest that the issue is one on which, for most of the twentieth century, advice would have been sought from a Royal Commission made up of the leading experts in all the relevant disciplines or a body such as the Law Commission."

I do not accept the idea that a person who has been arrested is more likely to offend in future: that offends common sense. There are serious flaws in the Government's research and analysis. Frankly, this part of the Bill should go back to the drawing board.

There are problems with the manner in which the new domestic violence protection notice is meant to be enforced, in that the offender and the person who has been offended against have a right to be heard by the superintendent in charge. There is no superintendent in the constituency that I represent, which covers an area that is 100 miles from north to south and 100 miles across. Need I say more than that this is balderdash in terms of practicality? It might work in an urban area, however.

Mr. Hanson: The order was suggested by the Association of Chief Police Officers, which has examined the matter practically. Secondly, it will be established as a pilot so, if legislative approval is given, the issues the hon. Gentleman raises may be considered as part of our examination of that pilot.

Mr. Llwyd: I am pleased that there will be a pilot because this aspect of the Bill is flawed. The proposal could not be made to work in a rural setting, and it is unnecessary for several other reasons. I note what the Minister says but ACPO would say that, would it not? The proposal would allow the say-so of one police officer to get something done without reference to the courts, meaning that the result would be achieved first, and there would be a subsequent court hearing.

Michael Fabricant: The hon. Gentleman points out that his constituency is 100 miles from north to south and from east to west. However, is it not worth emphasising that his constituency is so hilly, with such difficult terrain, that the time it takes to get across it would be equivalent to that for a constituency in England that was 200 miles from east to west, and 200 miles from north to south?

Mr. Llwyd: I am not absolutely sure about that. I have a motor car; perhaps the hon. Gentleman still has a mule—*[Interruption.]* Let us not continue to talk about motor cars just now—I am sure the Minister for Policing, Crime and Counter-Terrorism will not sink to that level.

Travelling is difficult, for sure, and this is a genuine issue. I do not downplay the need to protect people—they are mostly women—in such situations, and I have never been blasé about this. I worked in the field for many years. I am still disgusted and appalled when I think about the things I witnessed, so I am not making light of this. However, under the Family Law Act 1996—I served on the Standing Committee that considered the Bill that became that Act, and I was pleased that it made the statute book—it appears that there is sufficient protection for women in such a position, through an ouster order and a non-molestation order, coupled with the power of arrest. Indeed, if there is a more serious initial assault, the perpetrator can no doubt be bailed on very strict conditions.

I will not expand on other relevant considerations because I do not want to take up too much time, but the hon. Member for Woking made a comprehensive case in support of the view that we already have these powers in place. When I asked the Home Secretary about the difference between the provisions in the 1996 Act and those in the Bill, I did not get much of a response, so I await one from Ministers. I do not understand how the need for the Bill's provisions arises.

The proposals on gang-related violence risk introducing a whole panoply of criminal penalties on a civil standard of proof. This is not the first Bill to do that, and it is a disturbing tendency. Those provisions could be challengeable on behalf of young people. Again, I am not playing the problem down. We do not have this kind of thing in my local town, thank God, but I heard the speech made by the hon. Member for Sheffield, Hillsborough (Ms Smith) and I have no doubt that it is a major problem in some places. However, we need legislation that will stand the test of time and tests in the courts. In the McCann case, the House of Lords found that even though antisocial behaviour orders were civil orders, the criminal standard of proof—beyond reasonable doubt—should be employed, not the civil standard, because the finding of guilt has with it serious criminal penalties. I make that point because the proposals in the Bill might be challenged on similar lines. However, I listened carefully to what the hon. Lady said, and perhaps I live in a fool's paradise from that point of view.

I am very concerned about the keeping of DNA and fingerprint samples, and I am not the only one. *[Interruption.]* The Minister whispers from a sedentary position; if he would like to turn around, he will see that there is huge support behind him—massive support for the Bill!

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): I was simply making the point that we have no intention of keeping samples. We will be keeping profiles.

Mr. Llwyd: I beg the Minister's pardon; I apologise for what I said, in that case.

We must be ever careful of eroding civil liberties. The deputy chief constable of Hampshire said a couple of years ago:

"We are sleepwalking through the lobbies of Parliament whilst Britain is slipping toward Authoritarian Rule."

That is pretty tough stuff from a deputy chief constable. I believe that the Bill in its present state will add fuel to the fire, and we might well see a further slip towards authoritarian rule. I hope that much of it is removed in Committee, but at this stage I will vote against it.

8.36 pm

Mr. Tony McNulty (Harrow, East) (Lab): I am pleased to follow the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), not least because I have a high regard for what he says on this matter. I do not always agree with him, but I know that he approaches it in a terribly thoughtful way. I must say, however, that I disagreed absolutely with his opening and closing remarks. The notion that we are anything other than a beacon for much of the rest of the world in our record on civil liberties and criminal justice is wrong. He bases his remarks on a flawed report by Amnesty International, which really should know better. It took what the House clearly and explicitly passed as extraordinary legislation, to be used very sparingly and only in specific circumstances, and judged us as though it were universal. That is profoundly flawed.

I disagreed also with the remarks by the deputy chief constable of Hampshire that the hon. Gentleman quoted. The House is not sleepwalking towards authoritarianism. I do not doubt that there are issues to consider in the Bill, which I will come on to describe, but hyperbole does not help. We have had a good debate thus far except, as is the case on these occasions, from the Opposition Front Bencher, for whom hyperbole was everything and substance was seriously lacking. That was a shame, because regardless of what happens over the next couple of months, we are considering profoundly serious issues for our country and our civil liberties.

I wish to touch on some matters on which I agree with the Government and some on which I do not. I shall start with those on which I do not, which is unusual for me. From my knowledge and expertise of the use of mobile phones in prisons, not least by convicted terrorist prisoners, I do not believe that simply putting a possession offence on the statute book is good enough. It is the Ministry of Justice, happily, not the Home Office—my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism may wear two hats—that needs to get serious about that matter and, notwithstanding resources, ban mobile phones and their use from prisons full stop, with all the resource implications that that entails for both staff and prisoners.

We have been up, down and sideways going through technically possible and cost-effective ways to dampen the signal so that calls cannot be received in prisons, as has been suggested. Everyone knows the stories, not least of assassinations and drug deals organised on contraband mobile phones in prisons. I would rather see the Prison Service bring in a total and absolute ban on mobile phones inside prisons, for staff and prisoners, and then see what that entails for their resources, than have the limitation on the possession of contraband phones set out in the Bill, although I welcome that as far as it goes.

I should like there to be a link between a contravention of the provisions against the possession of contraband phones and the early release scheme. I do not want the individuals concerned to get simply a couple of months or a fine, or whatever the Bill says—

Mr. Hanson: Two years.

Mr. McNulty: Nevertheless, we should start from the premise of a forfeiture of any participation in the early release scheme for someone who does anything as serious as possessing contraband, not least mobile phones. I still feel, somewhere in my water, if I may put it in those terms, that we are dealing with very serious matters through the resource nexus, rather than deciding what we should be doing and working backwards towards resources. If that sounds harsh, I do not apologise, because the use of mobile phones and other such things by terrorists are serious matters.

If I may say so, I think we have also wimped out on wheel-clamping. I have asked those who know far more than I whether there is anything under law, or unique to the English and Welsh system, that means we cannot say that wheel-clamping on private land, and the way it has been executed over the past number of years, is effectively licensed theft and extortion, as the Scottish law did some time ago. That is where we should start from. If we need to go back from that and allow some limited, albeit licensed, clamping for doctors' surgeries or other specific use, that is fine, but I do not think that a licensing regime will do what we want.

That was brought sharply into focus in the past couple of weeks. Quite rightly, people stopped and parked because of the snow and the impassability of roads, only to come back the next day to find their car clamped, because some little man from the wheel-clamping organisation decided, regardless of the snow, that there was another £140 or £200 to be made for the company. Rather than this sequential law or proper law by accretion, we should go where we want to go: we should ban it as the Scots have done and work back from that. I hope that that proposal will be explored in Committee. I should say right now that I am not in any profound sense offering myself to serve on that Committee. Having done three and a half years in the Home Office, I have had my fine share of Home Office Bills and legislation, and I will sadly have to let this one go and let others serve far better than I would.

This is why I do not like the tedium—it is repeated ad nauseam by the hon. Member for Eastleigh (Chris Huhne)—of saying how much new legislation there has

[Mr. McNulty]

been, and how many new crimes and offences have been created: it does not help us at all. We live in a complex world. Something like three quarters of the Bill reviews, revises and updates legislation, albeit very recent legislation, because of externalities and other factors that go to the complexities of the world. Ten, 12 or 15 years ago, as someone already suggested, we would not have thought about the perniciousness of mobile phones in prison, because they did not exist. Twenty or 30 years ago, or when I was at university, e-mails and computers did not exist. Occasionally, we might see such things on "Tomorrow's World", but we all laughed. Given the pace of change, we must keep on top of such sensitive matters.

Chris Huhne: Surely the right hon. Gentleman recognises that the extraordinary spate of new offences is simply unnecessary. I have corresponded with the Justice Secretary on this matter, in which I gave him clear examples of offences that it was already perfectly possible to prosecute. The most ridiculous one is the new offence, which was created in 1997, of creating a nuclear explosion. What is wrong with murder and criminal damage? It seems to me that either would be quite likely to cover the bases.

Mr. McNulty: I was going to agree with the hon. Gentleman, but I do not agree with the example he used. I was very firmly in favour—my case has still not prevailed—of anything remotely attached to a terrorist cause having a proper terrorist statute associated with it. I did not want a terrorist tariff, which we found terribly cumbersome, and I did not want always to rely on the Explosives Act 1875 or whatever. I wanted to give a proper footing in terrorist legislation, as we did for DNA in the Counter-Terrorism Act 2008.

I am not saying, hand on heart, that since 1997, every statute and new offence passed by the Government has been absolutely necessary. I would be foolish if I did. In fact, I spent much of my three and half years in the Home Office telling people that if it is not absolutely necessary, we are not having it.

Chris Huhne: Not very successfully.

Mr. McNulty: No, the hon. Gentleman will find that over those three and a half years, I was relatively successful in that way, and terrorism and immigration took up the lion's share of my time.

It must be right and proper that legislation and revisions to legislation are debated in the Chamber, rather than dealt with up in the Committee corridor by statutory instrument, or simply by review.

That takes me neatly on to the issue of DNA. Everybody must agree at the very least that it is right to put the DNA database—and some of the elements around it, which have been much discussed—on to a statutory footing, rather than as part of code B, C or D of the Police and Criminal Evidence Act 1984, which was a wonderful piece of legislation by the way. Given the importance and sensitivity of the DNA database, putting it on to a proper statutory footing must be right. The Government are to be commended for that.

I do not accept, and never have done, the premise that somehow the national DNA database is an adjunct of the police national computer. It is not, and was never meant to be, a database of the convicted or of those who will be convicted. That has never been its purpose since it came into existence in 2001. It is a device, a tool and an adaptation of science for our use today, and it is no more than that. The suggestion by some, although not all, that DNA is what the right hon. Member for Haltemprice and Howden (David Davis) called a golden bullet that is sufficient to make a jury convict on that sole basis just is not the case. Rarely, if ever, is someone convicted on DNA evidence alone. At best, it is an analytical device, a locational device and a corroborative device. In some cases, all that it has done is hastened the conviction of an individual who was in the frame already, with spectacular success. People will know the examples of those arrested for relatively minor offences, such as affray or car theft, who had their DNA taken—some hon. Members have suggested that it should be removed from the database if no conviction occurs—and it later put them in the frame for a more serious offence. DNA does not of itself lead to a conviction—it does not hang the person, if I may put it like that—but it puts them in the location of the crime or adds to the jigsaw of evidence that is available. It is confirmatory, corroborative and locational, but it is never enough alone to lock people away.

We need to take that aspect of DNA seriously. I do not agree that retention is antithetical to civil liberties. I got into trouble on the "Today" programme when the report came out recommending a national database. I told John Humphrys—I think that was the interviewer—that I had some sympathy with the report's logic. I have learned my lesson since, because for the next two or three days that ran in the papers as "Government edging towards national database". I was not saying that at all. However, there is a great distance between saying that we should retain the DNA only of those convicted and saying that we should have a national database. Wherever the line is drawn, it will be arbitrary.

The ECHR case on article 8 was probably right in one regard—that it was the blanket and indiscriminate nature of retention that was the difficulty. I firmly believe that the Government have gone far enough to show that the criteria for retention are no longer blanket or indiscriminate. However, the position should be kept under constant review, because things change—not least the technology involved in DNA. In some recent cases involving low copy number DNA, it would not have been possible to extract the DNA five or 10 years ago. But the criteria are definitely not a proxy for saying "We will keep the DNA of the guilty or those who are likely to be guilty one day." The database is purely an analytical device for the police. Whatever the algorithms, logarithms or other things that scientists and occasionally GeneWatch can throw up about the probability of solving cases, they do not change the fact that significant serious crimes—cold-case and more recent crimes—have been dealt with through DNA.

We will be profoundly worse off, in terms of the overall liberties of our people and the efficacy of the criminal justice system, if we lose the DNA database or went where the hon. Member for Eastleigh wants to go. It is not the case that, as the right hon. Member for Haltemprice and Howden said, some degree of criminality is a precursor or a useful factor—I am not sure whether it is an exogenous or endogenous factor—in determining who will commit crime later on. Would that it were that simple. In many low-level cases, that may be so—we

could all name the 10 or 12 individuals in our areas who cause a lot of the low-level difficulties—but he was profoundly wrong to say, "Keep the convicted on, because that then is the body of subsequent criminality." He said it far more eloquently, but that was the gist of it.

In one specific case the right hon. Gentleman was absolutely wrong. There are no predictive qualities in people's behaviour, criminal or otherwise, for murder—absolutely none. He might be right in the case of breaking and entering, burglary or certain other serious crimes, including some violent crimes, but he is not right in the case of murder. We know that, overwhelmingly, murderers have never committed crimes before—some have, of course, but overwhelmingly they have not. If there is some chance, on a cold-case basis or otherwise, of giving people final closure on some of those outrageous cases involving violent crime, rape and murder, then, in the balance of things, it is worth paying that price collectively as a society.

I understand the Liberals' position—it has always been their position—but it is a real shame that the Opposition have chosen to use their opposition to those provisions as a fig leaf for not voting for the Bill this evening. I hope that the hon. Member for Hornchurch (James Brokenshire) will give us more reasons for their not doing so than were given at the start of this debate by his hon. Friend—I suppose he might be right hon.—the shadow Home Secretary, who, for me, only showed clearly why, if tragedy happens and his side ever gets in, he should not be Home Secretary for long. I hope that that is the case for the sake of the country, because he is clearly not up to it, and he showed that again tonight.

I have a couple of other points to make. It takes too long for good ideas in government to come to fruition. I absolutely welcome the tail-end elements in the Bill on stop and search, which are rooted in what Flanagan said some 18 months ago. Everyone will remember Ronnie's point about "good cholesterol" and "bad cholesterol", which was a very good one. I do not accept the premise, parlayed about by someone on our side fairly recently, that somehow the only difference between good police forces and bad police forces on clear-up rates is not bureaucracy but the fact that some officers on some forces would rather stay in the canteen. For an ex-Home Secretary to say that was quite shocking, I thought. I know all 43 forces in this country intimately, and I do not know of any force in which people would rather stay in the canteen than be out on the streets doing their job.

The Police Federation and the Association of Chief Police Officers have sometimes—indeed, consistently—overplayed their hands on bureaucracy. Much has been done to get rid of bureaucracy, by previous Governments and certainly by this one. What Ronnie meant by "good cholesterol" and "bad cholesterol" was that, because of democratic accountability and the rights of the individual and for a host of other reasons, some of that "good cholesterol" bureaucracy is essential for fairness, the defence of liberty and the rights that the hon. Member for Eastleigh mentioned. However, even with all the advances that we have made on bureaucracy, I would not say that we had gone far enough. We always need to go further, not least because, rather like the law and society, policing does not stand still. The policing world was profoundly different two and a half years after I was the Minister responsible for policing from the policing world two and a half years before, so Lord knows what the rate of change was five or 10 years ago.

We need to keep abreast of that, which is why the work that we have already done on stop and account and the work that will come out of the Bill on stop and search are all positive developments. However, I would say—someone raised this earlier—that there is no need for a review of section 44 of the Terrorism Act 2000 in the Bill in quite the terms suggested, because that is already being done. I said to the Metropolitan police time and again—happily, the Metropolitan Police Authority, the service and the commissioner all agree—that it cannot be right as we proceed beyond 2005 that all of London is still signed off every month as a section 44 area. Whether they have done this yet or not I do not know, but the sooner we create specific permanent section 44 areas—

Mr. Hanson: We have.

Mr. McNulty: That is good. There will always be a section 44 area around Heathrow, and rightly so. Sussex always had one around Gatwick. The notion of making a blanket section 44 area of the 32 boroughs just for the hell of it—throw in the City of London and it is 33—has changed, rightly. Much of that change is happening. We completed a consultation on how to use section 44 in terms of working with communities throughout London, which is all to the good as well.

Mr. Andrew Pelling (Croydon, Central) (Ind): I am grateful to the right hon. Gentleman for giving way, particularly bearing in mind what an effective Minister he was. I am sure it is a great loss that he is no longer one. Surely section 44 has been grossly abused. I was stopped and detained on suspicion of terrorism for taking a photograph of some roadworks near my local railway station. Perhaps I should have said that it was wrong to stop me, a Member of Parliament, from going about my parliamentary duties by using that law against me.

Mr. McNulty: I could make a joke about the hon. Gentleman looking shifty and all sorts of other things, but I shall not.

I think and have said, both as a Minister and subsequently, that the definition of photography in public places and how it rubs up against section 44 needs serious consideration, because most police forces throughout the country use the powers wrongly. Happily, when it is pointed out to them, they change, but I was slightly worried that in a recent court case involving a conspiracy that largely revolved around photographs taken by the individuals, some in the police family—but not all—tried to offer that up almost as justification for what police community support officers and police officers do to people going about their lawful business and taking photographs. I think the police understand that. If they do not, we need to say it louder.

Notwithstanding that, section 44 has, broadly, worked well. There has been no blanket application throughout the country. Most forces, bearing in mind the fact that I signed them off for two and a half years, were sparing in their use of the powers, unless they had a key facility such as an airport nearby, or used them and gave significant reasons why. However, none were as universal as London or areas with sensitive locations.

[Mr. McNulty]

There is another important issue running through this debate and that on DNA, although it is not germane to the Bill: the nexus between race and the criminal justice system. I accept and have said publicly that there is a disparity in the number of young black men, especially, on the database—we heard the figures earlier—and in the criminal justice system. That is troublesome in the context not of the DNA database but of the criminal justice system.

The notion suggested recently that race is somehow no longer a factor in our politics—it is now class, apparently—is profound nonsense, especially in terms of the criminal justice system. It must matter to all of us that 77 per cent. of 15 to 35-year-old black men are on the DNA database, but not because of the database. The database, in its universal application thus far, simply reflects what is going on in the criminal justice system. My point is not that it is worrying that so many young black men are on the database; I find it worrying that so many young black men are being arrested and entering the criminal justice system that way. That is what needs to be tackled; the DNA database is purely a reflection of it. That is overcome by the measures proposed by my hon. Friends.

The same applies to stop and search. It is important to keep the ethnicity element, but although it is often said that section 44, 30 or 60 powers have been used wrongly and impinge on community relations, much of the evidence for that does not stack up, save for the relationship between where many of our communities live and the propensity for crime in those areas. I am not linking the two at all, however. This is simply about protecting those communities.

The Bill has got the provisions on DNA about right, but the matter needs to be kept under constant review. I welcome the provisions on bureaucracy, and many of the other elements that have already been put in place. I shall no doubt take further the matter of section 44 with colleagues, especially those in London—

Mr. Ellwood: And in Committee.

Mr. McNulty: Not in Committee. I have already made that very clear, and if I have to take another half an hour to make it even clearer, I shall do so. No, I shan't.

I understand the concerns expressed by the hon. Members for Woking (Mr. Malins) and for Meirionnydd Nant Conwy about the whole notion of orders. They have made the same points before. The hon. Member for Woking made some quite fair comments about the architecture—the nuts and bolts—required to achieve them. Much has been achieved on domestic violence in the past 10 years, however, in regard not only to the police interface with the victims and perpetrators, but to the proper response by our courts system and others. Where it works, it works very well, and the provisions in the Bill need to be seen in that broader context.

I am happy for hon. Members to explore the concerns expressed by the hon. Member for Woking in more depth in Committee—I promise that I will pop back to discuss them on Report—and I take seriously what he and others have said. The Government do not want to do anything except introduce effective measures that build on all that we have already done on domestic violence.

I do not accept people's broader points objecting to the principle of ASBOs—I will not say that those points were tediously made, but I have been listening to them for 10 years—and now to gangster ASBOs, or GASBOs. Where ASBOs have worked, up and down the country, they have worked tremendously effectively. They have worked incredibly well for many communities, but I take the point that some hon. Members made about the interface between the law, some local councils—although, to be fair, they are getting better—and the Crown Prosecution Service and the local prosecutorial powers. All those elements need to be lined up properly if the orders are to be effectively, and sparingly, used. I welcome the advances made in relation to GASBOs, if I may use that shorthand to describe them.

I want to finish by mentioning three elements that are not in the Bill, but which matter and which merit serious discussion in regard to the policing world. It is my profound regret that, at one of my first meetings as Minister with responsibility for policing, I had to tell the Lancashire and Cumbria police forces that they could not merge. I shall leave that on the table and say no more, save that I absolutely agree with Hugh Orde, the head of the Association of Chief Police Officers, when he says that 43 police forces to cover the best part of 54 million people is simply not sustainable. I believe that we could have between nine and 12, which could then become much more localised—rather like the Metropolitan police are seeking to do—and hold the police accountable at that very localised level. The notion of having 43 forces for 54 million people in England and Wales is complete nonsense, and that is a matter that we shall collectively have to return to—

Chris Huhne *indicated dissent.*

Mr. McNulty: Don't shake your head; you're supposed to be a radical.

Chris Huhne: The right hon. Gentleman has a lot of experience in this area, but there are real problems with the case that he is trying to make in regard to size per se. The biggest police force in the country certainly has a lot of problems that other police forces—even those in other urban areas—do not have. It also has some pretty poor performance indicators, compared with other police forces. So bigger does mean more beautiful.

Mr. McNulty *rose—*

Mr. Deputy Speaker: Order. I am sure that the right hon. Gentleman is now coming to the end of his remarks. He said that he wanted to make three points about things that were not in the Bill. Perhaps he will bear that in mind as he closes his remarks.

Mr. McNulty: I was simply using the device of a Second Reading debate to mention other things that could have been explored but were not. I was not asking for a debate with the hon. Member for Eastleigh, although I would be happy to have one if that is the best response he can make.

There are two further points that we need to address. I do not think that either side has got them right yet. There needs to be much more accountability at local level, and we have not got there yet. Police commissioners are a daft idea—that is not the way to do it—and if Boris Johnson is the answer, it must have been a silly question. The only new moneys that the Metropolitan police will get over the next two years will be the 2.7 per cent. increase from this Government. From Boris Johnson, they will get absolutely nothing, and we will make sure that the people of London know that.

Lastly, I realise that this matter is not appropriate for a fifth Session Bill, but at some point the House will need to address the issue of police finance. It cannot be right that the lowest contribution to the overall budget gathered locally from any police force is just 18 per cent., while the highest is 56 per cent. A couple of years ago, that disparity worked out at £80 a head as opposed to £260 a head. These disparities exist for a whole range of historic political reasons that make no sense now. Of course policing in the south-west is different from that in the north-east, but the price should not be as disparate as that.

These three issues will have to be addressed in the near future, hopefully by a Labour Government in power, but beyond that, and beyond my little critiques—unusual for me—about areas where the Government have wimped out, especially on mobile phones in prisons and wheel clamping, I commend the Bill to the House. I shall be happy to come back on Report and look at what the Committee has done.

9.6 pm

Mr. Lee Scott (Ilford, North) (Con): Although I share the concerns of hon. Members of all parties about the DNA aspects of the Bill, the House will be pleased to know that I do not intend to talk about that subject at this late hour. Neither shall I bring up any issues that do not appear in the Bill.

I want to speak about some provisions to which I am sympathetic, including those on wheel-clamping. I shall tell two brief stories about incidents, one affecting a constituent, the other my own office. A constituent came to see me to complain that they had parked their car on private land outside a shop where they actually worked, yet it had been clamped and towed away, requiring a payment of £600 to get the car back. The constituent did not have the resources to pay that bill. It turns out that when these private companies—in some respects, I view them as nothing more than thugs—go in and intimidate people, they do so on the basis of choosing someone who may not own the land or the shop but who just happens to be around to sign a contract. That contract allows them to clamp people and issue these vile fines of hundreds of pounds.

The story relating to my own constituency office is that I received a phone call from one of my office staff, telling me that a small sign had gone up, saying that clamping was in place and fines would be applied. I was told that two hefty men were there to enforce the said fines. How had they got permission to carry out this clamping on what was private land, servicing about five or six different shops or businesses? Apparently, these men went in to someone who had a temporary lease in a shop and said that a lot of illegal was parking going on. They asked whether the person would like that parking stopped and said there would be no charge to them whatever. "Yes, sign the paper", they said, and the next thing was that all and sundry were getting tickets.

Fortunately, we were able to get that retracted and to take the signs down so that the clamping ceased. I accept that not all the companies involved are like this, but the vast majority brought to my attention in my Ilford, North constituency are certainly nothing more than extortionists. This must be stopped. I would like to see these people completely banned from doing it. I believe that there is a role for local councils in respect of parking enforcement, but not a role for rogue traders to take money from innocent people going about their work and legitimately parking their cars. I add that there are no appeals against these companies. There is either small signage or no signage whatever and I say again that this practice should be made illegal.

Let me touch briefly on domestic violence. Without question, it is vile and we all abhor it. However, in many cases drawn to my attention at my constituency surgery, young women have told me that it can happen because of intimidation, low self-esteem, fear or even because the man has had children with the partner and is concerned about their future, yet they say that the attack has never taken place. Except through some measures already in place and measures proposed in the Bill, if someone says, "It did not happen; I walked into a door; I fell down the stairs", it would not be covered. That greatly concerns me. I am not asking to be made a member of the Committee, but if I were on it, I would raise the issue again.

Let me say a few words about antisocial behaviour orders and parenting orders. Antisocial behaviour is a blight on our communities, but we must distinguish what is antisocial behaviour from what is not antisocial behaviour. Groups of young people who gather together doing no harm is not antisocial behaviour, no matter how disconcerting their presence may be. Groups that intimidate people and make people fear to leave their homes is antisocial behaviour, however. I believe parental responsibility is vital in this context, and I want to commend Peter Terry, the borough commander in Redbridge, and his colleagues for the work they have done with me in tackling this problem.

I am aware of the time and of the fact that other Members wish to speak, but let me tell a brief story. There was a problem with some youths, and one Sunday morning I went out and met them. I asked them why they wanted to cause these disturbances, and I asked if they would be happy if this was happening to their grandparents and they were too scared to leave their homes. The problem did not go away—these problems never will go away completely—but I am pleased to be able to say that reports of antisocial behaviour fell by more than 70 per cent. after the police and I had held those meetings.

Finally, I want to touch on the issue of gang-related violence. As the hon. Member for Sheffield, Hillsborough (Ms Smith) said, this is nothing new. I am told by people who are older than me that in the '60s there were groups called mods and rockers. Obviously, I am far too young to remember that myself, but we all know that violence took place in seaside towns such as Margate and Southend. The major concern today is the age of the people involved in the gangs, however. I do not remember in my youth boys and girls as young as 12, 13

[Mr. Lee Scott]

or 14 being involved in gangs and carrying knives and other weapons. This is a serious issue, and it must be tackled.

I support parts of the Bill, therefore. Sadly however, because of the DNA provisions and other measures, I will not be voting for it this evening, but I hope that in Committee we can all come together to change the parts of it with which we disagree.

9.12 pm

David T.C. Davies (Monmouth) (Con): There is not much time left in the debate, but I must say that I have greatly enjoyed the contributions to it, and it has occurred to me that most of the Bill's provisions ultimately come down to a simple argument about the price of civil liberties as against the price of security. While travelling into London on the tube this morning, I was reading the dreadful stories of what is going on in Haiti. I suppose that at present the people in that country have the ultimate in civil liberties, in that they can go out and do and say what they want and steal what they want, but is anyone more secure for it? No, they are not. Would anyone want to live in Haiti at present, or in any of the other failed states of the world? No, they would not.

Mention was made earlier of one of the Gulf states, where apparently there is a universal database. I forget the name of the country, but I remember thinking that it is a country where many British people and other westerners have gone to work. They are perfectly happy in that environment. It may not be the paradise of a Liberal Democrat-run council in the desert, but people feel very safe regardless of the level of civil liberties they apparently enjoy.

What I am trying to say is that, in many ways, security is more important to us than civil liberties. Security has to come first. We all remember that in the '70s we used to say, "Better dead than red", but the reality is that I would prefer just about anything to being dead or to living in a failed state, even if it meant giving up some of my civil liberties.

Chris Huhne *rose—*

David T.C. Davies: The hon. Gentleman was very generous in giving way to me, but time is now running very short because of his contribution and many others, so if he will forgive me, I shall continue.

Let me now turn to the practical elements of the Bill. I am not a philosopher. I do not pretend to be one—and, to be honest, there are too many people coming out of universities with degrees in philosophy, and they cannot relate what they have learned to real situations, which is what it should all be about. The DNA database might have an impact on civil liberties, but is it making us more secure? Yes it is, and the vast majority of Members fully agree that it is a wonderful thing and a very useful tool.

I commend the Government's enthusiasm for getting this database going, because they were clearly bringing about something to reduce levels of crime. Of course someone could say that just putting on to it everyone who was arrested was not entirely logical, but what are the extremes? One extreme is to put everyone on it, which would probably be impractical, although I would not have any problem with my DNA being on it. I have no intention of taking up a career as a burglar or some other kind of criminal if I ever leave this place, so what would I have to fear? I would have nothing to fear. Perhaps all those in favour of the database—on both sides of the House—ought to be willing to put our DNA on it and encourage the police and the judges to do so too. The other extreme is to have almost nobody on the database, but I do not think many in the House would wish that to happen.

Of course I am aware of the concerns about disproportionality, but when one examines the statistical evidence, one finds that it is very hard to say that just because somebody is black they will end up on the DNA database; we heard statistics of 70 per cent, then 50 per cent. and then something else. The reality is that the police do not go around arresting people for no reason. If a police officer arrests somebody erroneously, they get bawled out by a custody sergeant in front of their colleagues. So arresting somebody for no good reason is not an option that police officers have and it is not something that they go out and do. In most cases, the people who have been arrested have been perfectly properly arrested.

If one wants to talk about disproportionality, one could mention the fact that four fifths of the people on the database are men. I am a man, but I do not mind the fact that four fifths of the people on it are men. I do not think that the police are discriminating against men. I happen to think it unfortunate that more men are committing crimes. It may well be that more black youths are committing crimes. Most people do not want to consider that, but we should consider it. I suspect, however, that if one looked at the statistics, one would find that white youths from certain backgrounds—those from deprived backgrounds, broken homes and so on—would feature in them just as prominently. I do not think that this is as straightforward as some speakers have tried to suggest.

Those on one side of the House are saying that we will keep the details on the database for six years and those on the other side are saying that we will keep them on there for three years, although we may extend that by a further two years, if necessary. There is not much difference between what those on either side of the House are saying, because we all accept that some people who may be found innocent by the courts will nevertheless have their DNA retained on a database—I am perfectly comfortable with that.

When listening to the contribution of my right hon. Friend the Member for Haltemprice and Howden (David Davis), I was reminded of the confusion that police officers can create when they say, "You are on the database." What they actually mean is that someone is on the police national computer, which is something very different. When police officers put details in, a strict radio protocol is in operation and they do not get into conversations about who is on what database. They are told, "This person is known not wanted" or, "This person is known and wanted". The former description may be followed by certain other codes, one of which I recall from the following anecdote. I remember stopping somebody once in my capacity—I should have declared this—as a special constable and the code given to me was "Foxtrot, India". As that is code for "FI", my colleague said to me, "Leave him alone. He is a female

impersonator. He is harmless enough, he is a transvestite." As it turns out, "Foxtrot, India" stands for "firearms"—"India, Foxtrot" would have been the code for "impersonates females"—so we got that one wrong and that person went merrily on his way. The reason I tell this story is because even if we had twigged that he was likely to have a firearm on him, we would not have been able to search him; that would not have been grounds for a stop and search.

That brings me neatly to what I really wanted to say, which relates to stop and search legislation. Again, I give the Government a bit of credit, because section 44 of the Terrorism Act 2000 was a good idea. It was not about, and it was not meant to be about, catching lots of people. We can quote statistics all day long, but every day thousands of people are searched at airports and how many bombs do we find? We rarely find any bombs, and thank goodness for that. So the statistics are that thousands of people are searched, but only a handful are arrested. We continue to do those searches because if we did not do so, people would get on to planes with bombs. That was what section 44 was all about. It was not designed to catch lots of criminals; the aim was to send out a message to potential terrorists that they could be randomly stopped and searched, regardless of what they looked like. That is why section 44 was important, and I hope that the Government will address in the Bill the recent and very unfortunate European Court of Human Rights ruling.

If we accept that people who are deemed innocent by a court can have their DNA kept and that people can be randomly stopped and searched under section 44 or, because they are in an area where a lot of crime occurs, under section 60 of the Criminal Justice and Public Order Act 1994, it is perfectly reasonable and logical for us to say that where somebody has a criminal record for carrying a firearm, it is perfectly logical to search them if they are stopped for carrying out another offence. However, under the rather complicated legislation that police officers and Ministers have to wrestle with, that is not possible. The gentleman whom we thought was a transvestite but who was actually a gunman was in no danger of being searched because, unless we had evidence that he had a firearm on him at that moment in time, we would have had no grounds to search him. That is why, during the passage of this Bill, I want to see an amendment to section 1 of the Police and Criminal Evidence Act 1984 that would allow people to take into account somebody's previous criminal record when deciding whether a search would be warranted. It would be an easy change to write into the relevant code of PACE.

Let me turn, very briefly, to some of the other aspects of this Bill. The Government have come up with some proposals to deal with gang violence and my party, quite rightly, has come up with even more stringent proposals. Both sides of the House seem to recognise that gang members can start forming and causing problems at quite a young age. It does not matter to the victim of gang-related violence whether the person involved is 18, 17, 16 or 14. The victim wants action to be taken and action is what we are suggesting. It is a shame that some Members of the House, on one particular wing, do not feel willing to support that.

I would say to the gangs that if they do not like it, they need to wake up a bit. We went to talk to gang members with the Home Affairs Committee. They said to us, "We carry knives and guns because the other gang carry knives and guns." I asked why they did not tell the police about it and they said, "Oh, we don't trust the police and we've got a code. We never grass people up." I am afraid that if that is their attitude, they will have to accept that the police will have to have fairly wide powers to deal with the lot of them. If they think that it is unfortunate that the gang down the road have guns, and that is why they want them—although they are very sad about it—we will help them out. We will give the police the powers to take away the guns and anything else that they can to try to help the gang members and their neighbourhoods.

Let me say one last thing before I sit down. Although I welcome the new provisions on domestic violence, I am very sad that there is no mention in the Bill of female genital mutilation. We passed a law seven years ago and not one person has been convicted of that heinous crime. There is also nothing in the Bill to do with forced marriages despite the fact that we know that thousands of young girls are being virtually sold into domestic servitude by their relatives. I shall certainly play my part, on the Committee or not as people decide, and I look forward to contributing to the Bill as it proceeds through Parliament.

9.22 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to follow my hon. Friend the Member for Monmouth (David T.C. Davies), who speaks with such authority on these issues because of his experience as a special constable. It is also a pleasure to be the concluding Back-Bench speaker in this wide-ranging debate. Of course, it has had to be wide ranging, because we are discussing 46 clauses that cover all sorts of issues.

During these final few minutes of the debate I want to talk about an issue that is not on the face of the Bill. It is based on a press release that the Ministry of Justice issued today, which was mentioned by the Home Secretary during his speech, on the new support for victims of terrorism overseas. I should make it clear that I declare an interest, in that, sadly, I lost my brother in the Bali bombing of 2002. I welcome the proposal and, in fact, I have been campaigning very hard for such an initiative for some time. My worry is that the Bill is so busy and so complicated that it might not pass through its stages in time for this provision to reach the statute book.

My experience in Bali when I lost my brother—he was a teacher based in Vietnam who died along with 201 others—was one of absolute confusion and devastation. He left the hotel he was staying in to join some friends in the Sari club, and at 11.5 pm the first bomb exploded in Paddy's bar opposite. People left the Sari club to see what was going on, and that was when the second bomb—the killer bomb—exploded and took out most of the 202 people.

Absolute confusion followed. A lady called Lucy, a Briton, who was in Paddy's bar, had fortunately gone to the toilet the moment before the bomb struck. She was in a cubicle made of concrete, which saved her life, but when she came out she found that the three Australians whom she had met half an hour before had been blown apart. Lucy suffered no injuries but she received no compensation or support to help her through these difficult times. She is traumatised by that incident.

[Mr. Tobias Ellwood]

Another person, who has become a friend of mine, Paul, lost his left arm in the incident. He has had to pay for his own prosthesis because when he returned to England, he found that there was no support. Insurance companies do not pay out for terrorist attacks. The fact that the terrorist attack took place abroad meant there was no compensation from the criminal injuries compensation scheme.

There was total chaos, to the point where no help was provided by the British embassy. I flew out there and had to do a lot of the work myself, including managing the process of my brother's repatriation, which included sealing the lid of the coffin myself with a Black & Decker drill. That is just one example of the absence of support during that horrible incident.

I am pleased to say that the Government have done wonders in correcting many of those failings by setting up emergency response teams based at various embassies across the world that are able to move rapidly to a location when a disaster takes place, and through improvements to the website. The final, missing part of the jigsaw is the compensation for overseas victims of terror. They are not hit because of the person they are. They are being used as a pawn to send a message to the Government. That is why the Government have a responsibility to ensure that they are looked after.

It is interesting to make a comparison with the events of 7/7 here in London, where, regardless of the victims' nationality, the compensation scheme made sure that everybody was looked after and compensated, no matter the scale of their injuries or whether the families of those who were killed also needed looking after. That was the level of care that we provided here in the UK. Unfortunately, up to now, once one goes past Dover, all that support disappears.

We have been late in catching up with many other countries across the world—including Spain, France, the United States and Australia—in bringing our laws up to date to make sure that we provide the necessary assistance. It is all very well introducing another Bill that builds the walls around us higher and higher—yet another Bill that provides more ways of chasing the terrorists—but we must be able to protect the small number of people who are affected when those laws do not work. When those walls are not high enough, the Government have a responsibility to make sure that British civilians are looked after.

I am pleased with the legislation proposed today. My worry is that there may not be enough time to ensure that it reaches the statute book. There has been huge frustration among the survivors and families of British victims of terrorism overseas. On the one hand, we see the energy and determination expended to fight terrorism, which in many cases has not been matched by countries overseas. On the other hand, the energy and determination to prevent the bomb going off in the first place is not matched by the commitment and support to the victims once the bomb has gone off. I am therefore pleased that the terrorism proposal has been put forward.

If the blanket of security fails, Britons need to be assured that the Government will ensure that appropriate mechanisms are in place. I hope that, thanks to the new counter-terrorism legislation, we will feel a little safer; and that, when exposed to the same dangers when disembarking at the other end of an aircraft journey, we will now be able to gain the support we expect. Terrorism does not recognise borders, and nor should our support for Britons. Although I disagree with other aspects of the Bill, I certainly commend the proposal to the House.

9.29 pm

James Brokenshire (Hornchurch) (Con): This has been a wide-ranging, well-informed and passionate debate. I had intended to deal with overseas victims later in my contribution, but in the light of the eloquent, measured and passionate speech of my hon. Friend the Member for Bournemouth, East (Mr. Ellwood), I will start with that. It was very moving to hear his contribution, describing the direct impact that terrorism can have on individuals. He spoke from the heart about his real-life experience, including the trauma, the issues that are thrown up and the unfairness of the current system in terms of compensation. I say to him and to the right hon. Member for Makerfield (Mr. McCartney) that we will look closely and carefully at the Government's proposals. They are not in the Bill, so it is difficult to comment on them specifically, but the right hon. Gentleman certainly has my assurance that the issue will not be treated as a political football. It is too important, too serious and touches the lives of far too many people to be treated in that way, so we will look carefully at what transpires in the Government's proposals.

Mr. McCartney: I call the hon. Member for Bournemouth, East (Mr. Ellwood) my hon. Friend, because we have worked on the issue closely, and I thank the hon. Member for Hornchurch (James Brokenshire) for what he has said so far. Whatever happens with this Bill, and whatever comes out of the discussions, all I ask is that every Front Bencher concerned ensures that the propositions are preserved so that the families can move on from the tragedies they have had to bear since 2002.

James Brokenshire: I respect the way in which the right hon. Gentleman has raised the issue, and we will look closely and carefully at the proposals that come forward.

This has been an important debate, because at its core have been the concepts of individual freedom, personal liberty and the scope and extent of the power of the state: the balance between the collective desire to retain and control information, ostensibly for collective interest and protection, and the right of the individual to control the most personal information that the state retains on them. With DNA, that issue could not be more sensitive. It is at the heart of an individual's genetic make-up—the coding to our being and our family. It is, one could almost say, our very essence.

We are all aware of cases in which evidence provided by DNA forensics has played an important part in securing the convictions of serious criminals who have committed heinous crimes, and we have heard several examples today. DNA information can also be important in showing that someone was not involved in acts of criminality, or in securing identification evidence; and we agree that DNA samples can be an important evidential tool in prosecuting and bringing crimes to justice. However, we have to acknowledge that there are limits to its effectiveness and, if we go too far, to its acceptability.

Many Members have made important and telling contributions, describing the impact that such measures may have on people's trust and confidence in policing and in our whole criminal justice system. The right hon. Member for Leicester, East (Keith Vaz), the Chairman of the Home Affairs Select Committee, highlighted that disproportionate aspeet, and we look forward with interest to his Committee's work and report. I hope we have an opportunity to reflect on it as the Bill progresses in Committee and through the House.

The hon. Member for Sheffield, Hillsborough (Ms Smith) also made the point about the Bill not having gone far enough on the European Court of Human Rights judgment, and she accepted that the issue is complex. It certainly is, and there are balances to be struck and judgments to be made, but that is necessarily part and parcel of the debate.

The hon. Member for Walthamstow (Mr. Gerrard) also highlighted the over-representation of black and minority ethnic communities—the fact that there are more young black men on the DNA database and the implications that that may have for certain communities' trust in law and order and in the police, and for their chances of being dealt with appropriately. The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) made some similar points.

My right hon. Friend the Member for Haltemprice and Howden (David Davis) made a powerful and passionate speech, analysing the evidence—or lack of it—in terms of performance data. The Government have sought to back up the Bill's proposals, in part, through their re-arrest hazard rate analysis, which they have used to justify the six-year period on which they have alighted. Heavy caveats are being applied even in that report, which was generated by the Home Office. The report says that the lines used are measured with "some degree of uncertainty" and that information is being "extrapolated". It goes on to say that

> "The comparison arrest rate for the general population is...not known".

There is also a whole host of different points, including the use of proxy measures. Even on the basis of that analysis, there is not the firm and undisputed support for a six-year period in the way that might have been suggested.

My hon. Friend the Member for Monmouth (David T.C. Davies) made his point very well. However, a balance has to be struck between the individual, and safety and security. If we do not strike that balance appropriately—and we argue that this Bill does not—trust and confidence in the police, the criminal justice system and all the things we hold dear will be eroded.

Let us be clear. The number of profiles stored on the DNA database by police forces in England and Wales has topped 10 per cent. of the population; more than 5.5 million individual profiles are held on the database by police forces in England and Wales. Furthermore, the database continues to grow at an exceptional rate. Some 32,467 profiles were added in November 2009 alone.

Yet despite that growth, the proportion of crimes detected by DNA has fallen, although one might have thought that it would have increased given how science has moved on. In fact, two years ago the figure was 0.76 per cent. and in the past year it was 0.67 per cent. Similarly, the proportion of crimes detected in which a DNA match was available was 36.5 per cent. two years ago and 32.4 per cent. last year. The Government cannot argue that the change is due to a reduction in crime; the proportions do not justify the statement made about effectiveness.

The status of DNA obviously has particular significance. The retention of cellular samples is particularly intrusive given the wealth of genetic and health information contained therein. There is, however, a point of agreement across the House this evening; we welcome the fact that the Government are saying that they would destroy the forensic samples, and we understand that some of the time periods relate to the specific coding information on the DNA database.

However, we need to consider carefully the potentially conflicting interests of the state and the individual. It is welcome that the Government should have undergone some movement and conversion, in that they now accept that their previous Big Brother approach to DNA retention is not acceptable. But let us not forget the background to where we are today. As a matter of principle and policy, the Government had wanted to grow the DNA database for the sake of it. They now cannot do that. They wanted to retain for ever and a day the DNA profiles on those arrested but never charged or convicted for any offence. They have grudgingly accepted that they can no longer do that, either. They then tried to hide DNA retention powers away in an order-making power that gave huge discretion to Ministers, but they were thwarted in that regard, too. After that, they wanted to retain for 12 years the DNA profiles of those arrested but never convicted of an offence. They have now backed away from that position.

In this Bill, we have ended up with new proposals on DNA retention, but the Government still have not got it right. We believe that they have failed to strike a proper balance on DNA retention. Even with the proposals outlined in the Bill, they continue to be on the wrong side of the line regarding what is proportionate and justified. As some Members have said this evening, questions still remain about whether even these revised proposals satisfy the Court judgment.

The Bill also contains a whole raft of other proposals. On antisocial behaviour, the hon. Member for Stoke-on-Trent, South (Mr. Flello) mentioned the lack of a toolkit—the fact that there are so many provisions that many agencies do not know how to use them. We could make the same point about compulsory parenting orders for children who breach ASBOs, the latest proposal on antisocial behaviour. These powers are aimed at the parents of 10 to 15-year-olds who breach their antisocial behaviour orders. Ministers claim that such measures would help to prevent young people from being sucked into a life of crime, but the reality is that even if they were put on to the statute book, hardly anyone would receive them. The Bill's regulatory impact assessment shows that ASBOs have fallen so far out of favour that fewer and fewer are being issued, and consequently fewer are being breached. Mandatory parenting orders apply only well after ingrained problem behaviour has occurred, and even then they will apply only to a small number of parents. I have to say in all honesty to the Home Secretary and to the Government that they are deluding themselves if they think these proposals will make any significant material or sustained difference in preventing antisocial behaviour or in getting parents to take responsibility for delinquent children.

[James Brokenshire]

We then move on to the proposals for gang-related injunctions, which take a similar approach to those set out in the Policing and Crime Act 2009. Clearly, gang violence blights too many communities across the country. The hon. Member for Sheffield, Hillsborough discussed this serious issue very effectively in her speech. The recent Catch 22 study on the impact of crime on young people highlights the challenge. It paints a dark picture, with more than a quarter of young people having been threatened with a gun or a knife, and one in six having had a weapon used against them. The children's charity, Action for Children, reports that becoming a victim of crime, particularly violent crime, is a real fear for children and young people growing up in the UK today, and gang-based violence is very much part of this disturbing picture.

However, simply doing a cut-and-paste exercise on provisions from the previous Act, thereby bypassing the youth court, makes a significant change to youth justice that has not been properly considered. Indeed, during the passage of that Act the same point was made in relation to these injunctions, and Ministers accepted that it was a relevant and serious point. It is therefore surprising that it has not been catered for in the Bill, which means that breaches will go not to the youth court but to civil courts. That is a serious issue that requires further detailed examination and review as to its likely effects.

We welcome the Government's recognition of the level of bureaucracy and the paperwork it has wrapped the police up in. The Government are right to examine the paperwork surrounding stop and search. Her Majesty's inspectorate of constabulary estimates that recording and administration takes 25 minutes per form. The problem is that the Government's proposals do not go far enough. It is right that stop and search information be recorded, but the Government would make a more significant impact on police bureaucracy and form filling if they allowed it to be recorded by radioing it into the control room, instead of wasting police time on filling out paperwork.

The Government had the opportunity to address other problems connected with stop and search. The hon. Member for Walthamstow raised some relevant points about this. The case of Gillan and Quinton has seen the Government on the wrong side of the law yet again, and they had the opportunity to address the court's judgment in the Bill. Rather than take that step, however, they have said that they will appeal the judgment even though there are legal questions about the grounds available for them to do so. This leaves the police in a period of considerable uncertainty, partly reflected by the actions of the Metropolitan Police Commissioner in scaling back the use of stop and search under section 44 of the Terrorism Act 2000. However, that does not meet the requirements of the ECHR judgment. This period of uncertainty should be limited, and direction should be given to the police to address the concerns that have been expressed.

The principle of an order to enable a victim of domestic violence to have relief from abuse for a period to consider their options, free from pressure from the alleged perpetrator, is well understood, as the hon. Member for Stoke-on-Trent, South said, and such orders are in operation in many other countries. However, the telling contributions by my hon. Friend the Member for Woking (Mr. Malins) and the hon. Member for Meirionnydd Nant Conwy illustrated the fact that there is overlap with existing laws, and we need better to understand what difference these provisions would make over and above those laws.

My hon. Friends the Members for Banbury (Tony Baldry) and for Ilford, North (Mr. Scott) made some useful and powerful remarks on wheel-clamping, rightly describing it as being, in certain circumstances, extortion. We also heard a welcome contribution on the subject from the right hon. Member for Harrow, East (Mr. McNulty). I find such abuses intolerable—they represent extortion. I have heard of pensioners who have gone to pick up their pension but have landed a £300 bill simply for parking in the wrong place. Such a thing is unacceptable and must be addressed.

Ultimately, the retention of DNA and issues of personal rights and freedoms are at the heart of the debate. If the Government were prepared to accept their responsibilities and to act by realising that the DNA records of the innocent should not be retained, it would be a step forward. It would also be a step forward if they were to recognise that the Scottish system works and is effective. However, while they retain their standpoint that, for the DNA database, the presumption of innocence is reversed, meaning that a person is presumed guilty unless the contrary can be shown, we would be failing in our duty to the House, the British people and the liberties of our country if we were to let this Bill pass—and we will not do it.

9.45 pm

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): I thank right hon. and hon. Members for their contributions. Those who were present at the start, when we heard the speeches of my right hon. Friend the Home Secretary and the hon. Member for Epsom and Ewell (Chris Grayling), might have thought that the debate was solely about DNA, which was also raised by the hon. Member for Eastleigh (Chris Huhne) and formed a key part of all the opening speeches. However, those who, like me, have been in the Chamber for the past five and a half hours will know that a wide range of issues have been raised across the spectrum of the Bill. Hon. Members have focused on key aspects of it, and I wish to talk about them, as well as the question of DNA.

There have been two notable aspects of the debate. The hon. Member for Bournemouth, East (Mr. Ellwood), to whom I pay tribute, spoke about funding help and support for the victims of overseas terrorism, which was also raised by my right hon. Friend the Member for Makerfield (Mr. McCartney). The hon. Gentleman spoke powerfully from his personal experience, and whatever the outcome of our debates on the rest of the Bill, I know that he will support the Government's approach on that issue, given his experience.

Mr. Ellwood: I am grateful to the Minister for his kind words. The Ministry of Justice press release comments on retrospective compensation for survivors, not those who have been killed. Can the Minister give some clarity on when the details will come through? He will know that Will Pike was injured in the Mumbai attacks.

He is in a wheelchair and has had to set up a charity to make ends meet. I know that he would be grateful for an answer.

Mr. Hanson: Those are the very issues that we are looking at. I will table amendments on the issue for consideration in Committee, by which stage we will have further clarity on the points that the hon. Gentleman made. His contribution was important, and I know that my right hon. Friend has also been supportive on the matter.

The second notable aspect of the debate was the fact that, for the first time in my parliamentary life, I agreed with almost every word in a speech made by the hon. Member for Monmouth (David T.C. Davies). He is certainly out of tune with members of his party on DNA, and I will return to that shortly.

There are key aspects of the Bill other than DNA, the first of which is antisocial behaviour, which was raised by my hon. Friends the Members for Sheffield, Hillsborough (Ms Smith) and for Stoke-on-Trent, South (Mr. Flello), both of whom made valuable contributions. The parenting orders will be a valuable tool. Antisocial behaviour is also linked to under-18 gangs and injunctions. My hon. Friend the Member for Sheffield, Hillsborough talked about early intervention, which is important, and gang injunctions will make a major contribution towards support for preventing individuals from becoming involved in gangs, which the hon. Member for Ilford, North (Mr. Scott) also mentioned.

My hon. Friend the Member for Sheffield, Hillsborough also talked about dogs. My right hon. Friend the Home Secretary is in discussion with the Department for Environment, Food and Rural Affairs about the issue but, as he said, the Bill's injunction elements for serious violence will cover dogs.

The Bill addresses police bureaucracy and stop-and-search papers, which were raised by my right hon. Friend the Member for Leicester, East (Keith Vaz) and my hon. Friend the Member for Walthamstow (Mr. Gerrard). I assure them that the ethnicity of a person who is stopped will still be included, but our principle is one of reducing bureaucracy through not only the Bill, but the work of Jan Berry, who produced her report just before Christmas. We will look at the issues raised in detail and, even now, we are taking further steps with Jan on those concerns.

Section 44 of the Terrorism Act 2000 was mentioned, and as my right hon. Friend the Member for Harrow, East (Mr. McNulty) said, it is a valuable tool. My right hon. Friend the Home Secretary and I were both disappointed with the judgment last week and are in the process of appealing, and if necessary we will consider legislative options to support the retention of that provision so that we can do what the hon. Member for Monmouth indicated—have a random deterrent for individuals in the community at large.

Domestic violence has featured heavily in the debate. Again, my hon. Friends the Members for Sheffield, Hillsborough and for Stoke-on-Trent, South mentioned it, and the hon. Members for Woking (Mr. Malins) and for Monmouth supported the provisions on it. Issues need to be explored in Committee, as the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) mentioned, and I will consider all the points that were made. The hon. Member for Woking asked about penalties, and I gave him some indication of my response. They are covered in section 63 of the Magistrates' Courts Act 1980, which relates to standard financial penalties and imprisonments for a breach of a penalty such as the one set out in the Bill. I shall return to that in Committee. There will be a pilot and we will consider those issues, which are key.

The provisions on air weapons received general support across the board, and I do not need to reflect on them in particular.

Mobile phones in prisons were discussed, particularly by my right hon. Friend the Member for Harrow, East, who wished that we would do more about them. A penalty of two years for possession of a mobile phone in prison, which will be brought in if the Bill is passed, is severe. It supports previous legislation that we took through in the Offender Management Act 2007 to ensure that it is an offence to bring phones into prison, not just to have possession of them. We have taken further steps on blockers and are considering closely whether we can block signals altogether.

The private security industry has featured heavily. The hon. Members for Banbury (Tony Baldry) and for Ilford, North showed their broad support for the measures in the Bill but expressed the wish to explore them to ensure that they are effective. We will have a compulsory licensing scheme, and in conjunction with the Security Industry Authority we will consider legislation on limiting penalty fees, the regulation of towing, requirements for warning signs and effective and fair complaints processes. I know that not only were those ideas supported in the debate today, but my right hon. Friend the Minister for Regional Economic Development and Co-ordination has been instrumental in undertaking work on them. We will return to them, and we have proposals to do so. We will consider other matters in relation to the industry in due course.

All the issues that I have mentioned have been important, but the key debate has been on the national DNA database. There have been a range of contributions on that, and I think I speak fairly and openly when I say that with the noble exception of that of my right hon. Friend the Member for Harrow, East, none has been in support of the proposals that my right hon. Friend the Home Secretary has introduced. I have to say that I believe other hon. Members will be proved wrong in due course by our proposals. We have had to make a judgment, and it was made on the basis of protecting the public, preventing the creation of future victims and ensuring that we meet the obligations that we rightly have under European legal judgments.

My right hon. Friend the Member for Leicester, East, the right hon. Member for Haltemprice and Howden (David Davis), the hon. Member for Eastleigh, my hon. Friends the Members for Walthamstow and for Sheffield, Hillsborough and the hon. Member for Meirionnydd Nant Conwy all expressed concerns, which will be debated further and were mentioned in the opening speeches. We have been clear about what we want, and we had previously consulted on the DNA database. My right hon. Friend the Secretary of State has moved from our original proposals to ones that are the maximum that we can undertake under legal judgments, but that will ensure that the measures in the Bill are fair, proportionate and achieve their objectives.

Our original consultation proposal in May 2009 was a 12-year retention period in a non-conviction case. We have changed that to six years following consultation,

[Mr. Hanson]

which is in line with European legal judgments but gives us the flexibility to do what we need, which is protect the public, prevent the creation of victims and bring people to justice. We have similarly moved on the issue of under-18s. We originally proposed retention of six years or until the age of 18, whichever was the sooner, and we now have revised proposals for three years' retention. The Government have listened, but ultimately we have to make judgments. Our judgment in the Bill is that we need indefinite retention of fingerprint and DNA for convicted adults.

Keith Vaz: I am grateful for the way in which the Minister is putting his arguments across. Having listened to the debate, he realises there are still concerns about the Government's proposals. Is he prepared to engage in a discussion in Committee to improve the proposals, some of which, of course, are still open?

Mr. Hanson: As my right hon. Friend knows, I am always willing to listen to debate in Committee because, ultimately, I must carry the Committee with me, but we have made our position clear, and it is based on our judgment about the protection of the public, risk and preventing the creation of future victims.

Our judgment, which is subject to the will of the House tonight and another place in due course, is that convicted adults will have their profiles and fingerprints retained indefinitely; arrested adults will have theirs retained for six years; under-18s will have theirs retained for a range of years, depending on the seriousness of their crime; and in cases involving terrorism and national security, profiles will be retained for life, subject to review by senior police officers. We are doing that because we believe in protecting the public.

I should like to draw the House's attention to three examples of how that has been working to date. Mr. Ali Gudaal was arrested on suspicion of robbery on 16 January 2006. DNA was taken and he was released without charge, yet in June 2009, he was convicted of rape and kidnapping at Coventry crown court. The DNA evidence was fundamental in helping to bring about that conviction. That would not have been allowed under the Opposition's proposals.

Similarly, Matthew Fagan, who was sacked from a London company in 2006, had his DNA taken when he was given a penalty notice for drunk and disorderly behaviour. Ultimately, he was convicted of the murder of a colleague, Cathy Marlow, in his office, on the basis of that DNA evidence.

Finally, Kensley Larrier was arrested in May 2002 for possession of an offensive weapon. The proceedings were discontinued. Ultimately, he was convicted of rape in the north of England on DNA evidence at a later date. To put it simply, we must make a judgment. Our judgment is that six years is within the remit of the court judgment—it pushes the judgment to its boundaries, but this is about ensuring we do all we can to protect the public.

Opposition Members say that they will vote against the Bill on the ground of DNA, but let me remind them that they will also be voting against the provisions on mobile phones in prisons, wheel-clamping licensing, domestic violence orders, helping under-18s in gangs, antisocial behaviour orders and tackling bureaucracy in policing. If the Bill does not get a Second Reading, those matters will not be considered in Committee or reach the statute book, and the benefits about which hon. Members have spoken this evening will not be introduced.

I say this to all Opposition Members: DNA is important and we have taken a judgment to ensure that we proceed in a fair and appropriate way for the protection of the public, but ultimately, a vote against the Bill is a vote against all the measures in it. Certainly, I will not let hon. Members who vote against the Bill forget that they did so in the run-up to the forthcoming election, and nor will my colleagues.

The Bill is about making our streets safer, preventing crime against the vulnerable, ensuring that we stop criminal activity, and bringing justice to victims and potential victims through the use of the DNA database. The debate has been extremely useful and I know we will continue it in Committee. We have heard some positive suggestions, including from the hon. Member for Woking, and we will reflect on them. However, on behalf of my right hon. Friend the Home Secretary and my colleagues, I commend the Bill to the House and urge hon. Members to support it.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 272, Noes 197.

Division No. 42] **[9.59 pm**

AYES

Ainger, Nick	Butler, Ms Dawn
Ainsworth, rh Mr. Bob	Byrne, rh Mr. Liam
Alexander, rh Mr. Douglas	Cabom, rh Mr. Richard
Allen, Mr. Graham	Caima, David
Anderson, Mr. David	Campbell, Mr. Alan
Anderson, Janet	Campbell, Mr. Ronnie
Atkins, Charlotte	Caton, Mr. Martin
Austin, Mr. Ian	Cawsey, Mr. Ian
Austin, John	Chapman, Ben
Bailey, Mr. Adrian	Chaytor, Mr. David
Bain, Mr. William	Clapham, Mr. Michael
Baird, Vera	Clark, Ms Katy
Balls, rh Ed	Clark, Paul
Barlow, Ms Celia	Clarke, rh Mr. Tom
Barron, rh Mr. Kevin	Clelland, Mr. David
Battle, rh John	Clwyd, rh Ann
Bayley, Hugh	Coaker, Mr. Vernon
Beckett, rh Margaret	Coffey, Ann
Begg, Miss Anne	Cohen, Harry
Bell, Sir Stuart	Connarty, Michael
Benn, rh Hilary	Cooper, Rosie
Benton, Mr. Joe	Cooper, rh Yvette
Berry, Roger	Cousins, Jim
Betts, Mr. Clive	Crausby, Mr. David
Blackman, Liz	Creagh, Mary
Blackman-Woods, Dr. Roberta	Cruddas, Jon
Blunkett, rh Mr. David	Cryer, Mrs. Ann
Borrow, Mr. David S.	Cummings, John
Bradshaw, rh Mr. Ben	Cunningham, Mr. Jim
Brennan, Kevin	Cunningham, Tony
Brown, Lyn	Curtis-Thomas, Mrs. Claire
Brown, rh Mr. Nicholas	David, Mr. Wayne
Brown, Mr. Russell	Davidson, Mr. Ian
Browne, rh Des	Dean, Mrs. Janet
Bryant, Chris	Denham, rh Mr. John
Buck, Ms Karen	Dhanda, Mr. Parmjit
Burden, Richard	Dobbin, Jim
Burgon, Colin	Donohoe, Mr. Brian H.
Burnham, rh Andy	Doran, Mr. Frank

Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, rh Mr. Sadiq
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Sneigrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Willis, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. George Mudie and Mr. Bob Blizzard

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Barnett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan, Alan
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harris, Dr. Evan
Hayes, Mr. John

Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Howell, John
Hughes, Simon
Huhne, Chris
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McIntosh, Miss Anne
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Russell, Rob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. John Baron and Mr. Philip Dunne

Question accordingly agreed to.

Bill read a Second time.

CRIME AND SECURITY BILL (PROGRAMME)

Motion made, and Question put forthwith, (Standing Order 83A(7)),

That the following provisions shall apply to the Crime and Security Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 23 February 2010.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*(Mr. Watts.)*

Question agreed to.

CRIME AND SECURITY BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith, (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Crime and Security Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(1) any expenditure incurred by the Secretary of State by virtue of the Act, and

(2) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*(Mr. Watts.)*

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

HEALTH CARE AND ASSOCIATED PROFESSIONS

That the draft Pharmacy Order 2010, which was laid before this House on 11 November, in the previous Session of Parliament, be approved.—*(Mr. Watts.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

SOCIAL SECURITY

That the draft State Pension Credit (Disclosure of Information) (Electricity Suppliers) Regulations 2010, which were laid before this House on 2 December, be approved.—*(Mr. Watts.)*

Question agreed to.

SECTIONS OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Motion made,

That, for the purposes of its approval under section 5 of the European Communities (Amendment) Act 1993, the Government's assessment as set out in the Pre-Budget Report 2009 shall be treated as if it were an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees).—*(Mr. Watts.)*

Hon. Members: Object.

PROCEDURE

Ordered,

That Andrew Gwynne be discharged from the Procedure Committee and Mr Ian Cawsey be added.—*(Rosemary McKenna, on behalf of the Committee of Selection.)*

SCIENCE AND TECHNOLOGY

Ordered,

That Dr Doug Naysmith be added to the Science and Technology Committee.—*(Rosemary McKenna, on behalf of the Committee of Selection.)*

Charity Trustees

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Watts.)*

Mr. Speaker: Order. Before I call the hon. Member for High Peak (Tom Levitt), I appeal to right hon. and hon. Members who are leaving the Chamber to do so quickly and quietly, so that we can hear the oration of the hon. Gentleman.

10.15 pm

Tom Levitt (High Peak) (Lab): Thank you, Mr. Speaker.

We all know that being the trustee of a charity or community organisation is a responsible and important role. Indeed, trustees are the keepers of a charity's soul. They define and perpetuate its mission and direction; they are its ultimate managers; and they uphold standards of good governance. They do not run their charities on a day-to-day basis. Nor do the vast majority of trustees gain financially from their involvement. They take an interest, however. They care about those who work for their organisation, as either employees or volunteers, and for the charity's beneficiaries.

Trustees have duties that are laid down in law. They have a duty of prudence: to ensure that the charity is and will remain solvent; to use charitable funds and assets reasonably, and only in furtherance of a charity's objects; to avoid undertaking activities that might place a charity's endowment, funds, assets or reputation at undue risk; and to take special care when investing the charity's funds or borrowing funds for it to use.

What I have described sounds like a very tall order, and a very responsible, if not daunting, position. That need not be the case, however. Trustees act collectively, sharing those burdens of responsibility. It is what is in their hearts and their heads, not what is in their wallets or their diaries, that makes a good trustee. Having said that, everyone knows that if we want something done, we ask a busy person.

In England and Wales today, there are 816,825 known charity trustees, and probably many more, according to the Charity Commission. They are busy people, and a small number are trustees of more than one charitable body. They are divided roughly equally between males and females and their average age is 57. Only one in three are under the age of 50, and just 2 per cent.—one in every 50—are under the age of 30. One in 20 are from a black or ethnic minority background.

A typical board of trustees will have six members—three is the minimum—although larger organisations have correspondingly larger trustee numbers. Perhaps 2,000 trustees are appointed or re-appointed to their posts every week. That is not a large number, when we consider that, on average, eight brand-new charities are created in every constituency in the country each year, each with its own board of trustees. I am a trustee myself; I chair the board of trustees of the Community Development Foundation.

We know that three quarters of our population engage in volunteering and voluntary activity at some point each year, many of them on a regular basis. But, when asked how they might act to support a local charity, fewer than one person in 20 responded with the idea of becoming a trustee. Four out of every five charities say

[Tom Levitt]

that they recruit trustees principally by word of mouth. Is it therefore any surprise that there are reckoned to be 1 million vacancies for trustees in Britain today? According to the National Council for Voluntary Organisations, almost half of all trustee boards say that it is more difficult to recruit trustees today than it was a year ago.

My purpose in stimulating this debate today is to ask the Minister—a good friend with a real feel for the third sector and volunteering—what she is doing to support, recruit and retain trustees, without whom our voluntary organisations simply would not exist. I put it to her that charities need to plan to replace existing trustees when they retire and to attract people with a range of skills, experience and perspectives that can contribute to the successful running of their organisations, while at the same time understanding and reflecting the communities they serve.

We need to invest in trustee recruitment for the sector to ensure that there are enough people to run our voluntary and community organisations across the country. Charities need to use open and broad selection methods to reach out to an ever wider group of people as potential trustees. Word of mouth is not enough. Professional recruitment, newspaper advertising and head-hunting do not always feel appropriate for, say, a charitable endowment trust with a just few hundred pounds to give away to young people in a particular parish each year.

I commend to the Minister the work of the charity trustee network—an organisation that does what it says on the can. Its trusteefinder website is excellent, a great facility for putting the right potential trustee in touch with the right charity. Within five miles of where we are sitting tonight, I found easily 100 opportunities to volunteer as a trustee or a chair of trustees or a treasurer for a voluntary organisation. When I put my home postcode of Buxton into the search engine, I found just six vacancies, three of which were with the same charity. Toy libraries are valuable institutions, I am sure, but they are not everyone's cup of tea. I do not believe that six is a true representation of the number of the vacancies on trustee boards in my constituency.

What I am saying is that this is London—a city full of volunteering opportunities, not least as trustees, with a strong element of competition for people's time and energy, with millions of people packed into a relatively small area. That there are hundreds of known vacancies for trustees here reflects the low awareness and possibly low prestige that the trustee role enjoys as well as a lack of volunteers ready to fill the vacancies.

In Buxton, I guess that six reflects not a calm complacency in a quiet trustee marketplace, but a lack of awareness of the trusteefinder facility, even though there are typically 5,000 trustee vacancies advertised on it at any one time. I am sure—indeed, I know, having been for a time a trustee of my local citizens advice bureau and of an endowment trust—that the right trustees with the right blend of skills are difficult to come by.

These observations are broadly backed up by the experience of the trusteebank page of the National Council for Voluntary Organisations website. The NCVO believes that about half of all boards have between one and five vacancies for trustees. In its report "Board matters", the organisation New Philanthropy Capital reported that the marketplace in which new trustees are to be found is fragmented and very difficult to navigate.

The NCVO is the lead partner for the leadership and governance national support service, funded by Capacitybuilders, which aims to increase the supply of board members and improve the recruitment and induction processes of front-line organisations. It is working with local organisations to launch local trustee recruitment campaigns, increase the awareness of trusteeship among the public, and work with boards to prepare them for recruitment.

Given that trusteefinder is partly funded by the Cabinet Office, will the Minister look at the various ways of recruiting trustees and assess whether the geographical spread of trustee vacancies reflects the true position; how long trustee vacancies are advertised for on average and what conclusions can be drawn from that; and how awareness of trusteefinder and other recruitment processes can be raised throughout the country?

Perhaps I am putting the cart before the horse. Perhaps we need to consider why people might want to become trustees in the first place, before they find out about what vacancies exist. Pushing people towards a website is all very well, but there are other ways of promoting trusteeship. People become trustees for a number of different reasons. It might be, for example, to acquire transferable skills, or as a result of the desire to do something different or because of the inspiration one gets from working with staff, trustees and service users.

The NCVO found that 81 per cent. of trustees said they became a trustee to help the good cause associated with the organisation, while 56 per cent. had a particular skill they felt would be of use to the organisation; 37 per cent. wanted to shape how things happened; and others gave other reasons, including their own personal development—and why not? Rodney Buse, the chair of the charity trustee network, also reports that both the Institute of Chartered Accountants and the Whitehall and Industry Group actively promote trusteeship among their members. Whether they use another website in which the NCVO is involved—Trustees Unlimited—for this purpose, I do not know, but they should, as it acts as a brokerage for trustees seeking charities and vice-versa, as well as a source of good practice and information for trustees.

The Cabinet Office has a good reputation generally for promoting volunteering within its own work force. I understand that employees are encouraged to take several days off work each year to carry out voluntary work, but may I ask my right hon. Friend whether this specifically includes trusteeship? Are opportunities for trusteeship brought to employees' attention within the Cabinet Office and Government service generally?

Let us consider for a moment these two fictitious adverts. The first is: "Come and be a trustee at our charity. Four times a year, you will sit in a cold church hall with half a dozen others who share the same sense of obligation. You'll be told about the crumbling fabric of the building, which is your responsibility. You'll be told about the finances which are dire, thanks to the low interest rates affecting the endowment fund—also your responsibility. You may have to take difficult decisions about the future of a couple of employees, something which you consider yourself totally unqualified to do—and all of this for no money."

Now let us compare that with: "Come and be a trustee at our charity. At least four times a year, you'll meet with a diverse group of other community members who share your passion. You'll be presented with an opportunity to turn our centre into a real community asset as you take collective decisions on key areas of activity, working closely with a professional manager who is responsible for day-to-day affairs. Although as a body trustees may have to take difficult decisions from time to time, training and support are available. Your reward: knowing you're making a real difference to your community." It is important to talk-up and sell the idea of trusteeship, and to provide the resources for the training and skills acquisition that trustees need.

I looked on the charity trustee network website again to search for trustee training. Of the nine courses available from different providers in the first week of December alone, eight were in London. In the category "north of England", which appears to include both Manchester and Middlesbrough, there were just six courses spread over the next six months. Typically, they cost £200 or more to attend, which is a lot of money if someone is considering becoming a trustee on a small community board. There are courses available from councils for voluntary service at considerably lower cost, but I ask my right hon. Friend to make sure that training for trustees and would-be trustees is available online throughout the country and at a realistic price so that those from low-income backgrounds can benefit from it.

I have already said—and it is blindingly obvious—that members of boards of trustees need to come from diverse backgrounds, not only in order to reflect the communities, real or virtual, that they represent, but so that we bring forward the right combination of skills to their roles. Those skills need to be diverse. Not all members of a board need to be financial whizz kids, nor do they all need to be good people managers or experts in the core mission of their organisations.

Does my right hon. Friend recognise that not just the skills that trustees bring but those they acquire as trustees are valuable and should be measurable? These skills and expertise may be in the fields of finance, company, employment and charity law, health and safety, equal opportunities and an almost endless list of further skills. Becoming a trustee can, and should, be encouraged as a valuable entry on a CV.

My final point is about the challenges that trustees face, other than those of recruitment and skills. Whatever those challenges are, trustees have a friend in the Charity Commission. Over the years, but perhaps especially under the wise leadership of Suzi Leather and Andrew Hind, the commission has become less of a burden, and more of a critical friend to the sector: less distant and more engaged; less of a regulator and more of a mentor to the sector generally and to trustees in particular. I recommend guidance leaflet CC3a, "The Essential Trustee: an introduction".

Last month, we celebrated the re-launch of a compact for the 21st century. The new compact will help trustees in their relations with partner organisations, protecting the interests of both public and third sector bodies when they come together in partnership, and in this age of commissioning—to which I shall return in a moment—it is vital that the compact is relevant and appropriate and that all trustees are aware of it. Comments from all sides of the debate following the launch of the refreshed compact on 16 December give reason to believe that the compact is still relevant and appropriate, and we must make sure that all trustees are aware of it. Will my right hon. Friend confirm that the measure that I put forward in an unsuccessful ten-minute Bill in the previous Session to put the Commission for the Compact—not the compact itself—on to a statutory footing still has Government approval and is still on Ministers' radar?

Government are, and always have been, one of the voluntary sector's biggest funders, both through grants and tax concessions. At a time when Government funding to the sector has been both growing and changing in nature towards the contractual commissioning of services, trustees face challenges. How far, for example, should taking up funding opportunities determine what services they provide? How can the temptations of "mission creep" be avoided in these circumstances? How do we develop the skills for working in a more competitive, contractual environment? Can we afford to say no?

There is no single or simple answer to these questions, but trustees must work together collaboratively and either stick to their historical mission—which is, after all, one of their fundamental responsibilities—or change it on their terms, at a time of their choosing, while taking the organisation with them. These decisions are big challenges to trustees, and so is surviving an economic recession. At a time when interest rates on endowments are low, borrowing is difficult and charitable donations are not flowing as well as they did, trustees are presented with new challenges. Growing organisations may have to check their growth. Static ones may find themselves asking real questions about their future. Questions of merger and the protection of assets present new and real difficulties to trustees.

A third challenge is professionalisation. As organisations grow, their operation becomes more sophisticated, they take on employees as well as volunteers and they operate in a different market, albeit with the same core mission. The small-time trustee may get left behind as a different mix of skill and experience may be required on the board of a growing organisation. Organisations may outgrow their trustees and, indeed, ambitious trustees may outgrow their organisations. The one consolation is that the bigger the biggest players grow, the more room there is for new saplings to germinate, and so the cycle turns.

I am sure that my right hon. Friend will wish to take this opportunity, as I do, to say thank you to that band of almost 1 million people who give up their time and energy to be a trustee. Many, if not most, volunteer in other ways too, and their organisations really are part of the glue that holds our society together. For them, the activists' talk of "broken Britain" is inaccurate, misplaced and insulting. They know that what they are doing is right and in a noble cause, and that their motives are unselfish in the extreme. They know what would happen without them; the voluntary organisations on which we increasingly rely to deliver sophisticated and personalised services, on both informal and formal levels, depend on them. They know that being a trustee means that when someone brings their skills and experience to an organisation, they not only bring comfort to its beneficiaries, but they personally gain more skills and experience at the same time. They know that they do not deserve to have to struggle to recruit trustees and that they should not need to pay or to travel excessively to gain the skills their organisations need. They also

[Tom Levitt]

know that they currently have a Government who are well disposed towards the third sector generally, who regard the public sector and the third sector as partners and who believe that together we can achieve more then we do apart.

Although, on the face of it, there is cross-party agreement on the value and role of charities themselves, underneath the water line the similarities in the approach of the main parties are perhaps less obvious. But whether the trend towards partnerships, co-working between sectors and generous funding continues, or whether charities find themselves standing on their own two feet and working more independently, without the support, funding or structures that partners can bring, the role of the charity trustee is likely to become even more important in the future than it is today. I hope my right hon. Friend will now take the opportunity to assure our army of trustees that such challenges are opportunities for us to work on together, rather than threats to them alone.

10.32 pm

The Minister of State, Cabinet Office (Angela E. Smith): I congratulate my hon. Friend the Member for High Peak (Tom Levitt) on securing this debate and thank him for doing so. You will be aware, Mr. Speaker, that he commands huge respect and affection in the sector for his work over many years and for his support for the sector throughout his time in the House and previously. I pay a personal tribute to him for his enthusiasm and, in particular, for his support for, and role on, the commission on the future of volunteering. He will recall that when we were both new to this place, we joined the all-party group on the community and voluntary sector—he has become its distinguished chair.

My hon. Friend knows that this Government have a long and proud track record of supporting the third sector. I am pleased that he has chosen trustees as the subject of this debate, because, as he has outlined, although they often play a crucial role, it is too often uncelebrated and unrecognised in the sector. I have no hesitation in placing on the record my thanks and appreciation for all the work that they do. I hope that this debate will assist in raising awareness of the vital role that they play.

I know that my hon. Friend is, as he said, a past and current trustee, so he speaks on this issue with authority and personal knowledge. He has given us some statistics, such as the number of trustees. The Charity Commission estimates that there are more than 800,000 charity trustees in the country. Although a trusteeship may be viewed by some as perhaps less exciting than some other volunteering opportunities, no third sector organisation, from the smallest community group to the largest brand-name charity, could operate without the leadership, commitment and strategic direction of their trustees. I loved the phrase that he used for them: the "keepers of a charity's soul".

Unfortunately, as my hon. Friend has said, when we hear the word "trustee", we often hear about bureaucracy and difficulty, but we hear less about the rewards. We should celebrate the rewards of being a trustee. I wish to say a few words about that before discussing some of the Government action to support some of the issues that he has raised. Trustees freely give their time and talent to be rewarded not financially but by seeing the difference that their charity makes. Whether it works on a local, national or international issue, they get huge personal benefits from the activity.

A good example is a young person I spoke to who became a trustee of a charity. The skills and experience that that young person gained helped to provide a platform for employment or further education. My hon. Friend will recognise those benefits from his experience as a trustee. Let me share a quotation from a young person who is on the board of the Government-funded youth volunteering charity, v. He is 25 and he said:

"I really like the fact that I am equal at the meeting and the other trustees see me as an equal. I enjoy seeing the impact that I have."

My hon. Friend asked about measuring the skills and experience gained. Some interesting work has been undertaken on this by the volunteering charity, v, which enables young people to record those skills and experience. It is new, but it shows us how other volunteers can have their skills and experience measured.

I could easily spend the rest of my speech talking about the virtues of trustees, but I want to turn to the questions and issues raised by my hon. Friend. There were three main themes. The first is the need to make it easier to find opportunities to be a trustee. As he said, about 58 per cent. of people who volunteer hear about opportunities from somebody who is already a volunteer. That shows the power of recruitment by word of mouth, but how does an individual who is interested in volunteering or being a trustee but who does not have links to an existing volunteer, trustee or organisation find opportunities? How does someone easily find an opportunity that meets their interests and motivation? That is a particularly important focus of Government work, as a survey of organisations showed that 17 per cent. did not have sufficient trustees to meet their objectives.

In response to that problem, as my hon. Friend will know, since 2001 the Government have funded the national volunteering database, "Do-it", which contains more than 900,000 opportunities. They include many trustee roles and, crucially, in order to aid searching for opportunities the "Do-it" database is searchable by postcode and also by interest so that individuals can find opportunities to volunteer quickly and simply.

Trustee opportunities from "Do-it" are also provided to the charity trustee network's trusteefinder service, as my hon. Friend said. On his specific questions, the CTN does not capture information on how long vacancies are advertised for. I can report that nearly 1,500 searches of vacancies are made each month using the service and that almost all users of the service have said that they will use it again. We are continuing to work with CTN on the development of this service. Let me share with my hon. Friend a quotation from a user of the service that I received this week. A lady called Selima Gurtler, who is the founder and chief executive of East meets West—The Peace Charity, said:

"I know you will be really pleased to know that I have found two fantastic trustees via your website. I am absolutely thrilled!"

We should use this as a way to publicise the value to organisations of seeking trustees as well as to get the better geographical spread to which my hon. Friend referred. A good opportunity to promote the website will be the fact that next year is European year of volunteering. I think that we should use that further to promote trusteeship and trustees.

Of course, as my hon. Friend said, online methods rely on an individual's having positively decided to become a trustee. The evidence shows that one of the main reasons that people do not volunteer is that they are not asked. In 2005 the Charity Commission, working with a number of partners, did just that and asked people to become a trustee through the "Get on Board" campaign: 900 people registered an interest in becoming a trustee in the first three weeks and more than 7,800 people have now registered an interest in becoming a trustee through the campaign. Leading on from that work, we are also providing help for organisations to review the make-up of their boards and develop better recruitment and induction procedures, including local and regional training, as well as to develop simple tools and best practice information.

May I thank my hon. Friend for his comments about promoting volunteering in the Cabinet Office? Civil servants in the Cabinet Office are encouraged to volunteer for up to five days a year. That is organised through the organisation TimeBank, which I know that he knows. The scheme offers civil servants a range of opportunities including trusteeship and I will look for opportunities to promote trusteeships further in that scheme.

As crucial as it is to recruit new trustees, it is equally important to retain the expertise of existing trustees and to provide support to them. My hon. Friend was part of the 2008 commission on the future of volunteering and will know that one issue raised by organisations and individuals consulted by the commission was the "legal responsibilities of trustees" and their "increasingly demanding role". Being a trustee is not to be undertaken lightly, but I assure my hon. Friend that where the Government can take action to support trustees and make their role easier, we will do so.

Prior to the commission's report in 2008, as my hon. Friend knows, the Government introduced the Charities Act 2006, which brought into force a number of provisions to address concerns about the potential legal responsibilities and liabilities of trustees. The Act granted the Charity Commission a new power to relieve trustees from personal liability for breach of trust or duty where they have acted honestly and reasonably and ought fairly to be excused. The Act also recognised that it is reasonable for charities to buy trustee indemnity insurance, and it removes most of the obstacles to this. Trustees may pay the premiums with the charity's money, subject to certain limitations and conditions.

As well as these legislative changes, the Government have worked closely to ensure that practical support is available to trustees in three ways. In my hon. Friend's comments, he specifically asked about training and support being made available online and not being so expensive that it excludes those whom it would benefit. I know that he is aware of the Charity Commission's excellent publication, "The Essential Trustee", which sets out in plain language the key points and information that all trustees should know. That has been made widely available in different formats. A version for people with learning difficulties will be available soon.

The Government also fund the charity trustee network, which supports charity trustees across England and promotes good practice in trustee recruitment and retention. Membership of the organisation provides access to events, support networks, legal advice and extremely useful publications. I will look again at the geographical spread and see whether there is more that we can do to address the points that my hon. Friend raised on that issue.

The Office of the Third Sector funds activity to help trustees understand governance roles and to help organisations identify the governance system that is proportionate and appropriate to meet their individual needs. These are specific ways in which we are supporting trustees, but I would like to highlight our work to reduce unnecessary burdens, particularly in the context of reporting and monitoring. Two examples are the changes that we have made to charity law and accounting and reporting thresholds, and the joint Office of the Third Sector/ National Audit Office guidance to reduce red tape associated with the £12 billion a year that the sector gets from the Government.

The opportunity to be a trustee should be as open as possible. My hon. Friend spoke of the make-up of trustees in society, and I know that he shares my concerns on the issue. The Charity Commission's research shows that trustees are predominantly over 30 and male. Given that charities deliver support to a wide range of different people within our society, it would be good to see this reflected in the people setting the direction of the organisations. In many ways this is an issue for the sector itself, but the Government's role is to provide support to the sector in this area, and we want to continue to do so.

My hon. Friend spoke about the compact and the need to ensure that trustees are aware of its value. I am sorry that he was not successful in the recent ballot for private Member's Bills, and I can confirm that the Government have the issue on their radar, support the commission for the compact being placed on to a statutory footing and are looking for a legislative vehicle for that. Given that the passage of legislation takes time, we are looking at the changes and improvements that can be made in the implementation of the compact without the need for legislation. I am happy to discuss that further with him.

I opened my speech by stating that without trustees we would not have the vibrant and healthy third sector that we have in this country. Trustees of many organisations have even more important roles to play as their organisations face the challenges of the recession. My hon. Friend raised some issues along those lines. To support these trustees the Charity Commission has begun an initiative called the "big board talk". This asks 15 questions to help trustee boards look at the options and opportunities available to them in the recession. It is intended to be a practical tool that can be used by all charities, particularly small to medium-sized ones, to help inform their board and planning discussions.

I thank my hon. Friend for raising what I believe is a very important matter, and place on record his commitment to the third sector, which has been unstinting throughout his time in Parliament and before. I can assure him that by raising the debate tonight, he has drawn attention to the value of trustees and the need to encourage and support them, and allowed me to place on record my thanks and appreciation. I have outlined some of the action that the Government are taking, and I assure him that I share his commitment and that we will remain focused on the issue.

Question put and agreed to.

10.45 pm

House adjourned.

House of Commons

Tuesday 19 January 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

BEVERLEY FREEMEN BILL [*LORDS*]
Bill read the Third time and passed, without amendment.

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Zimbabwe

1. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet his EU counterparts to discuss EU relations with Zimbabwe. [311313]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): Zimbabwe will be considered by EU Foreign Ministers during the course of February, and I look forward to having discussions then. The UK and the EU are strong supporters of the global political agreement—the GPA—and we will continue to press for progress. We welcome the recent agreement of the GPA signatories to establish key commissions, and we urge implementation of that agreement.

Mr. Bellingham: I am grateful to the Foreign Secretary for that reply. Does he agree that, although the economic news coming out of Zimbabwe is now more promising, there are still huge concerns about human rights abuses and about the detention of Movement for Democratic Change MPs such as Roy Bennett? Does he also agree that the existing sanctions should not be lifted until those issues have been dealt with?

David Miliband: Yes, I agree that numerous aspects of the situation in Zimbabwe are of deep concern. It is right to say that, over the past year, the economic situation has changed in a quite fundamental way, although it is not quite right to refer to the detention of Roy Bennett as a continued threat to him through a legal case.

In respect of sanctions, we have made it clear that they can be lifted only in a calibrated way, as progress is made. That is something that we will discuss. I do not think that it is right to say that the choice is between lifting all sanctions and lifting none at all. We have to calibrate our response to the progress on the ground, and, above all, to be guided by what the MDC says to us about the conditions under which it is working and leading the country.

Kate Hoey (Vauxhall) (Lab): Does the Foreign Secretary share my concern that President Zuma of South Africa has not challenged Mugabe and the MDC fully to carry out the terms of the global political agreement? He seems continually to be urging compromise on the MDC.

David Miliband: President Zuma is playing a careful hand, and he is playing it rather skilfully. The Prime Minister was able to discuss Zimbabwe, among other things, with him at the Commonwealth conference in November. President Zuma will be making a state visit to the UK in early March, and I have had discussions with my South African opposite number. The position of the South Africans has certainly been to urge adherence to the global political agreement, which requires compromise on all sides, and I do not think that they have been less than even-handed in the way in which they have done that.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Should not all European Union Governments recognise that Morgan Tsvangirai was right to enter into a coalition with Robert Mugabe, if there was to be a prospect of peaceful change? Is it not worth remembering that even Nelson Mandela entered into a coalition with the white South African National party, and that Solidarity in Poland entered into a coalition with the communists? They all recognised that change has to be gradual if it is to have any chance of producing peaceful stability.

David Miliband: No European country, to my knowledge, has condemned Mr. Tsvangirai for the move that he made. I am not sure what the implication of the right hon. and learned Gentleman's question was, but I hope that it was not to question the fact that this is a transitional agreement whose conclusion will be a proper democratic election that respects the will of the Zimbabwean people. There was a hint in what he was saying that there is perhaps—to echo the term used by my hon. Friend the Member for Vauxhall (Kate Hoey)—rather more compromise with Robert Mugabe than the mood of the House would wish. Mr. Tsvangirai's position has been well established, however: he has shown himself to be a man not only of principle but of competence, and we should support him strongly.

Fiona Mactaggart (Slough) (Lab): There is one EU member country that has a very direct effect on Zimbabwe, through the Kimberley diamond certification process. Belgium is a member of that process. Will the Foreign Secretary speak to his Belgian counterpart about the human rights abuses in the diamond mines in Zimbabwe, and discuss whether it would be right to threaten suspension of the Kimberley process in order to ensure that the human rights of people working in the diamond mines are protected?

David Miliband: As it happens, I now have another new Belgian opposite number in the new Belgian Government. I spoke to him at the end of last week. I will be happy to talk to him about a range of issues, including Zimbabwe, when I next meet him.

Mr. Keith Simpson (Mid-Norfolk) (Con): The Foreign Secretary has talked about specific EU targeted sanctions, and said that they should be calibrated. Will he explain which of the current EU sanctions are really having an effect and encouraging ZANU-PF to move towards removing the human rights abuses that have been in place for so long?

David Miliband: The hon. Gentleman will know that a range of EU sanctions is in place. Some of them refer to individuals, others to so-called parastatal organisations. Different sanctions have been brought in at different points, and different sanctions are the responsibility of different ministries in the Zimbabwean system. Some are controlled by the MDC. I would be happy to give the hon. Gentleman a more detailed answer, but I think that it might detain the House beyond the time available for the question. I believe that EU sanctions have helped to send a strong message, and that they have had a practical effect without hurting the Zimbabwean people, which would have been a sanction too far.

Middle East

2. **Andrew Rosindell** (Romford) (Con): What his most recent assessment is of progress towards peace in the middle east; and if he will make a statement. [311314]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): There is a huge degree of concern in the middle east and around the world at the deadlock in the drive for a credible route to a credible state for the Palestinians, enabling them to live alongside a secure Israel. The UK shares this concern and therefore strongly supports the efforts of Senator Mitchell to establish such a process with such a goal.

Andrew Rosindell: Does the Foreign Secretary share my horror that the rocket attacks from Gaza against Israel continue unabated? Will he tell us what the Government are doing to put pressure on the Palestinian authorities to end this outrage and what they are doing to jump start the peace process with Senator Mitchell via the European Union?

David Miliband: I am happy to share with the hon. Gentleman a condemnation of rocket attacks, although I think he has to be very careful indeed before he puts those rocket attacks at the door of the Palestinian Authority, which he sought to do. As he will know, the rocket attacks come from Gaza, and the tragedy of the Palestinians is that the Palestinian Authority does not have control over Gaza. I hope that the hon. Gentleman does not want to send a message from the House that there is condemnation of President Abbas or Prime Minister Fayyad—who, frankly, offer the best hope for the Palestinians—rather than of Hamas, which is sending the rockets.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Is my right hon. Friend aware that I returned yesterday from leading a delegation of 60 European parliamentarians from 13 countries, including 11 from this Parliament, to Gaza where we saw for ourselves the appalling destruction inflicted on civilian life by the Israelis. We visited a United Nations school where dozens of people seeking refuge were killed or maimed and heard from children how they saw their parents being killed before their eyes. When is action going to be taken to lift this illegal siege and bring justice to the Palestinians?

David Miliband: My right hon. Friend is absolutely right to say that the other side of the coin to the rocket attacks from Gaza is the siege of Gaza. The flow of humanitarian aid has proceeded from a trickle after the Gaza war to a rather larger number of lorries and a greater volume of aid getting through, but he is also right to say that the current levels of aid going in are below what the United Nations says is the minimum necessary to establish decent life in Gaza, never mind to improve or reconstruct the situation. He will know that resolution 1860, passed by the United Nations Security Council about a year ago under British sponsorship, calls both for an end to arms smuggling and the firing of rockets and for the lifting of the blockade on Gaza. It is important to say that that applies from the Egyptian as well as the Israeli side.

Mr. Crispin Blunt (Reigate) (Con): Particularly as the Egyptians tighten the border around Rafah, what is the Foreign Secretary's understanding of the responsibilities of the Israelis under the Geneva convention towards Gaza as an occupied territory?

David Miliband: I am not going to give the hon. Gentleman a legal answer, but a political one. The responsibilities of both the Israeli Government and the Egyptians are laid out very clearly in UN Security Council resolution 1860. The Minister of State, my hon. Friend the Member for Bury, South (Mr. Lewis), who has responsibility for the middle east, was in Cairo last week. It is important to send a message of support for President Mubarak's recent meeting with Prime Minister Netanyahu. The Egyptian effort to play a positive role in restarting the peace talks is something that I welcomed in private discussion with Egyptian Foreign Minister Aboul Gheit last week and the whole House should support it more generally.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does my right hon. Friend agree that it is outrageous that Tzipi Livni, a strong supporter of the two-state solution, is unable to visit this country to discuss the way through to peace, providing justice for both Israelis and Palestinians, for fear of arrest? When is action going to be taken to stop this deplorable state of affairs?

David Miliband: It is very important that this country, as a permanent member of the Security Council, is able to talk to all leaders from around the world who are involved in conflicts and disputes, including those from Israel, including Mrs. Livni. That is not in contradiction to our determination to uphold our responsibilities for so-called universal jurisdiction; it is a cross-party consensus in the House that we must be the people who uphold international law on war crimes, which we did in 2005 in respect of an Afghan warlord. We do ourselves no good by preventing ourselves from having a serious discussion with the Israeli Government or the Israeli opposition on these important issues.

Mr. David Lidington (Aylesbury) (Con): Does the Foreign Secretary agree that we will not get peace or reconciliation in the middle east unless the people of

Gaza can see some hope not only of reconstruction, but of a normal life in the future? To that end, what representations has he been making to the Governments of Egypt and Israel about reopening the crossing points further, and about whether an international presence on the ground might be needed as part of any agreement?

David Miliband: This issue is raised by the Prime Minister, myself and the International Development Secretary in all our contacts with both the Israeli Government and the Egyptians. The hon. Gentleman is right to point, as have other hon. Members, to the fact that Gaza has to be part of the solution of the Israeli-Palestinian conflict. It cannot be left until last. However, the Palestinian divisions do neither them nor the prospects of peace any good.

The hon. Gentleman will also know that the Gaza issue has become tied up with the question of the continued detention of Corporal Shalit. This is a further complication, and it is in everybody's interests both that Corporal Shalit is released as soon as possible and that the Israeli Government and the Egyptians honour their responsibilities as enunciated in resolution 1860 as soon as possible.

Richard Burden (Birmingham, Northfield) (Lab): Did my right hon. Friend see last night's "Panorama" report, which sketched very graphically the systematic dispossession and expropriation of Palestinian properties in East Jerusalem? It appears to many of us that Israel feels it can do this without consequence, even though the international community may express displeasure. Will he say what the consequences for Israel could be if it continues with that illegal policy?

David Miliband: I am sorry to have to tell my hon. Friend that I did not watch last night's "Panorama" programme as I was otherwise occupied. The point he makes is important, however, because, as we know, Jerusalem is the tinderbox to beat all tinderboxes, and the process of evictions in East Jerusalem—never mind the settlement building—is a direct threat to the achievement of the sort of peace and stability that would be vital for any peace talks to make progress. It is important that the international community does express displeasure—to repeat the word my hon. Friend used—and it is also very important that all sides honour the commitments required of them under United Nations and other resolutions.

British Victims of Crime

3. **Greg Mulholland** (Leeds, North-West) (LD): What support his Department provides to British citizens who are victims of crime abroad. [311315]

The Minister for Europe (Chris Bryant): The support we provide to British citizens who are victims of crime abroad varies enormously from person to person. It might include the following: giving general information about local police and legal procedures; giving details of local lawyers, doctors, hospitals and translators; contacting relatives or friends; or providing specific help if a British national has suffered rape or serious assault, or is in hospital.

Greg Mulholland: Mark Aveyard died tragically in suspicious circumstances in Gran Canaria, and there is clear evidence that the Spanish police have not properly investigated his death. However, the Foreign and Commonwealth Office staff's response to the grieving family was to say, "Go and find yourself a Spanish lawyer." I am afraid that that was not an acceptable response in helping a family whose son may have been the victim of a serious crime abroad. Will the Minister meet me and the family to discuss this very serious case?

Chris Bryant: Of course I am happy to meet the hon. Gentleman and the family. He and I have already exchanged several letters on the issue, and I send my condolences to the family of Mr. Aveyard. This must be particularly distressing for a family in a country where they do not fully understand the legal system or speak the language. However, the difficulty for the Foreign Office and consular staff is that, as I think the hon. Gentleman will accept, it is not possible for them to provide legal advice, and often the most important piece of advice we can give is to make sure that people have access to a lawyer who speaks English.

Mr. Tom Watson (West Bromwich, East) (Lab): On crime abroad, Google last week identified e-mail accounts that had been hacked into by people based in China. Hillary Clinton has said this is so serious that she has raised it with the Chinese. Does the Foreign Office intend to do the same, and what reassurance can the Minister give the Foreign Office staff who use the Microsoft browsers about which the Germans and the French have said, "Please don't use"?

Chris Bryant: I am not quite sure what this has got to do with British citizens abroad, but my hon. Friend is, of course, absolutely right to say that we should take up every instance of human rights abuses in China with the Chinese authorities, and we do so constantly. A vital element of the free society that we aspire to for China is free access to the internet and the ability to live without censorship.

Iran

4. **Mr. David Amess** (Southend, West) (Con): What his latest assessment is of the political situation in Iran; and if he will make a statement. [311316]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The Iranian Government continue to face protests from their own people following the disputed elections in June. The abuse of the human rights of demonstrators has fuelled concern in the country. The Iranian Government's problems are exacerbated by a poor economic situation of their own making. Attempts to blame the United Kingdom for any of the post-election disturbances are not only wrong but an insult to the intelligence of the Iranian people.

Mr. Amess: I am sure that the Foreign Secretary will accept that Iran is the biggest sponsor of terror against British troops in Afghanistan and Iraq as a result of its supplying explosively formed penetrators to the Taliban and al-Qaeda. If that is the case, what are the British

Government trying to do to stop the supply of these weapons and funds to Afghanistan, Iraq, Lebanon and Gaza?

David Miliband: The hon. Gentleman is right to say that in a wide range of countries there is evidence of Iranian support for terrorist groups. However, I do not think one should believe that the sum of the problems in Afghanistan is down to the Iranian Government. Iran has a border with Afghanistan, it has to deal with a range of problems that are exported from Afghanistan to Iran and it has a range of links with a variety of groups in Afghanistan. In many of our debates about Afghanistan we have talked about the importance of engagement with its neighbours, but I do not think that that particular neighbour is the primary source of the problem in Afghanistan, however much it has failed to play the sort of constructive role across the country that is important. One final point that should not be forgotten is that in the west of Afghanistan—in provinces such as Herat—the Iranian influence is strong but the situation is relatively peaceful.

Tony Lloyd (Manchester, Central) (Lab): In the context of Iran's nuclear power, be it civil or for weapons, have we made any progress in persuading Moscow that an Iranian nuclear weapon would be much more immediately threatening to the Russians than it would be to us in western Europe?

David Miliband: My hon. Friend makes an important point. All the members of the E3 plus 3—the European three plus America, China and Russia—oppose the development of an Iranian nuclear weapons programme. All of us support an Iranian civilian nuclear programme, as long as we can be sure that it is not leaking into a military programme. That applies as much to the Russian authorities, for the obvious reasons that he points out, as it does to the other members of the E3 plus 3 and the rest of the United Nations Security Council. After all, on five occasions the Security Council has said to the Iranian regime that it needs to take action to comply with its international obligations and on three occasions it has imposed sanctions towards that end.

Mr. Edward Davey (Kingston and Surbiton) (LD): Earlier this month, Secretary Clinton said:

"Our goal is to pressure the Iranian Government, without contributing to the suffering of ordinary Iranians".

It thus seems clear that the Obama Administration are not going gung-ho for a new round or an early escalation of major new economic sanctions. Do the Government also see a danger in additional early economic sanctions, in that they might serve to bolster President Ahmadinejad against the growing green movement? Might it be better to push harder with the engagement strategy and limit any future sanctions to targeted, smart sanctions against the main figures of the regime in Tehran?

David Miliband: Nobody is in favour of dumb sanctions; smart sanctions are obviously better than dumb ones. Sanctions need to be properly directed towards the objectives on which they are designed to have an effect. The hon. Gentleman must not misrepresent the American position. The choice that he poses between imposing sanctions and hurting the Iranian people or doing nothing does not appear to be the right approach. There is a wide range of agreement on our need to explore the whole range of sanctions opportunities, because over the past three months Iran has made it clear that it is not willing to have the intensive dialogue with the international community that was called for and it has not given a positive response on the so-called Tehran research reactor deal, which would be one way of building confidence with the international community.

Mr. Davey: Will the Foreign Secretary be a little clearer on the Government's thinking on the type of sanctions that they wish to see? What weight do the Government put on the views of the opposition to the Tehran regime when they consider this matter? How does he assess the risk that major new economic sanctions across the board might assist Iran's Supreme Leader and President in resisting the internal opposition that they face?

David Miliband: Tempting as it is to give a public commentary on the sort of sanctions that are being developed, it would not be wise to do so. Let me give the hon. Gentleman one obvious example: when one is considering financial sanctions, it does not make sense to give six, eight or 10 weeks' notice to some of the entities that might be involved of the sort of financial sanctions that might be coming in. For obvious reasons, we have to make this a process that is conducted in private. However, I am telling the hon. Gentleman that we believe that financial sanctions, to take one example, have an important role to play in exerting pressure at the appropriate points in the regime and not affecting the Iranian people.

Jane Kennedy (Liverpool, Wavertree) (Lab): Is it not true that the Iranian regime rejected a visit of Members of the European Parliament recently for fear that they might meet opposition politicians in Iran? *[Interruption.]* Will my right hon. Friend extend an invitation to opposition members in Iran to visit Britain to visit him as Foreign Secretary and will he offer the opportunity to Members of this Parliament to meet them?

David Miliband: I did not know about the visit by the European Parliament. In contrast to the hon. Member for Shipley (Philip Davies), I think that it is a good thing that the European Parliament takes an interest. He will also be pleased to know that the EU has imposed tougher sanctions on Iran than those mandated by the UN Security Council. That is one further example of the way in which Europe can play a constructive role.

I know what my right hon. Friend is saying about the importance of understanding the position of the Iranian opposition. Given the incessant attempts of the Iranian regime to brand the opposition as British or western stooges, we have to be very careful about how we engage with them. It is absolutely clear that this is an indigenous movement led by patriotic Iranians who want to see their society change. It is not the plaything of the international community.

Mr. Speaker: Order. The comprehensiveness of the exchanges is in many ways illuminating and useful to the House, but I must emphasise that there are a lot of questions that we need to get through and that we must make somewhat sharper progress.

Mr. William Hague (Richmond, Yorks) (Con): Further to the exchange between the Foreign Secretary and the hon. Member for Kingston and Surbiton (Mr. Davey), will the Foreign Secretary agree that smart sanctions that hurt the interests of the Iranian Government but not the ordinary people of Iran might include—these are things that one can talk about in advance—a ban on arms sales to Iran, a tough United Nations weapons shipping inspections regime and action against the interests of the Iranian Islamic Revolutionary Guard Corps? Will he say whether these are sanctions that the British Government will be in favour of, notwithstanding the objections of the hon. Gentleman on the Bench next door?

David Miliband: In the interests of a short answer, there is already an EU arms embargo that the Government were happy to vote for. That is a pretty clear indication that we consider that to be a worthwhile effort.

Mr. Hague: I was referring to what might happen at the United Nations. On that matter, does the Foreign Secretary agree that we have now reached a position where stronger sanctions from the UN on Iran are justified and necessary? Is it true that the lack of agreement at the UN Security Council means that there is now little prospect of a further UN resolution on this matter for several months? Do the British Government find that acceptable, and what action will they be taking to try to speed up the process?

David Miliband: Yes and no, Mr. Speaker. If you will permit me to give a slightly longer answer, yes, it is correct that the failure of the Iranian Government to give any kind of positive response to the suggestion of more talks to discuss their nuclear programme or former director general el-Baradei's proposal for a Tehran research reactor means that we have to consider a sanctions package, but, no, it is not right to say that there is no prospect of achieving that for several months. I think that it will take some time, but I do not believe that this can, should or will be punted into the long grass.

Aung San Suu Kyi

5. **Rosie Cooper** (West Lancashire) (Lab): What recent steps he has taken to encourage the release of Aung San Suu Kyi. [311317]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): We continue to call for the release of Aung San Suu Kyi. The Prime Minister, Foreign Secretary and I have discussed her situation with Burma's neighbours and the UN Secretary-General. We have made it clear that the elections cannot be credible if political prisoners are not free and able to engage in an inclusive process.

Rosie Cooper: While the world watches, Aung San Suu Kyi's appeal against her sentence is in its final stages. Can the Minister indicate what real chance there is that she will be released? What intelligence does he have on the situation?

Mr. Lewis: I say to my hon. Friend that the charges were trumped up and the trial was bogus. In any decent, objective, reasonable criminal justice system, they would have been thrown out, Aung San Suu Kyi would have been acquitted and we could have moved on. The reality is that we are not very optimistic about the regime and its behaviour towards Aung San Suu Kyi or the other 2,100 political prisoners.

Burma (Election)

6. **Mr. John Randall** (Uxbridge) (Con): What steps he plans to take to seek to ensure that the 2010 election in Burma is fair. [311318]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): We have maintained international pressure on the Burmese regime. We have lobbied China, India and Association of South East Nations members to recognise that only free and fair elections will lead to a stable and secure Burma. We support the UN Secretary-General's continued engagement. Tough EU sanctions will remain in place in the absence of any progress.

Mr. Randall: Can the Minister give us an idea of whether any independent election monitoring teams will be allowed in to observe the elections?

Mr. Lewis: I am afraid to say that we have no expectation that international observers will be allowed to observe the election. It must be clear that without the release of political prisoners and a commitment to an inclusive process in respect of opposition and ethnic groups, the forthcoming elections in Burma will not be recognised by the international community—indeed, they will be entirely illegitimate.

Mr. Lindsay Hoyle (Chorley) (Lab): Does my hon. Friend agree that not only do we expect openness, transparency and people to be able to watch the election, but more importantly, we expect the democratic result to be accepted and the military junta not to interfere in the end result?

Mr. Lewis: I agree entirely with my hon. Friend. There is only one difficulty: the constitution that underpins the election is deeply flawed. It is designed to perpetuate military rule in Burma. It is therefore important that there is no interference in the elections. As long as the elections are contested on the current constitution, whatever the outcome they cannot be recognised by the international community.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Do we not have to be realistic and realise that the elections will inevitably not be fair and democratic, but that they nevertheless present a real challenge for democracy campaigners within Burma? Will the Minister take his lead from the democracy movement, in particular the NLD, in determining the approach that is to be taken by this country in relation to the conduct and the outcome of the elections?

Mr. Lewis: Of course, the hon. Gentleman is right. It is not for us to determine the decision by the opposition parties whether to participate in the forthcoming elections. It is equally important that the entire international community gives a united response to any election outcome. If there were any suggestion that some members of the international community attempted in any way

to legitimise that outcome, that would be very dangerous in terms of strengthening the regime. What we seek to achieve is maximum unity of response on the basis that the election will be fought on a flawed constitution.

EU Budget

7. **Mr. Philip Hollobone** (Kettering) (Con): What recent discussions he has had with his EU counterparts on progress on reform of the EU budget; and if he will make a statement. [31131?]

The Minister for Europe (Chris Bryant): Reform of the EU budget was last discussed at the December European Council. Heads of Government called on the Commission to produce a report in order for the Council to lay out its priorities during 2010. The Government remain committed to far-reaching reform of the EU budget.

Mr. Hollobone: When Tony Blair abolished Margaret Thatcher's rebate, we were promised significant reform of the EU budget and of the common agricultural policy, instead of which Britain's membership fee for the European Union has more than doubled, there is no significant reform to the common agricultural policy, and EU accounts remain dodgy at best. Is this not another broken promise by a failed Labour Government?

Chris Bryant: If the hon. Gentleman wants to talk about broken promises, he should speak to the leader of his own party. I am sure the hon. Gentleman is pretty depressed by the end of the cast-iron guarantee, but he should not mischaracterise what happened. The abatement still exists. It is worth billions of pounds for the UK. We, however, not only willed the end—namely, the enlargement of the European Union—but we were also prepared to will the means, by being prepared to pay an element of the advantage that other countries coming into the EU would provide to the UK in the form of trade and jobs.

Mr. Gregory Campbell (East Londonderry) (DUP): When can citizens of the United Kingdom expect to see a reasonable and fair deal for membership of the European Union?

Chris Bryant: I think that all citizens of the United Kingdom of Great Britain and Northern Ireland get a very good deal out of the EU. It guarantees jobs, and more than 50 per cent. of this country's trade is wholly dependent on our membership of the EU. If the hon. Gentleman wants to take Britain out of the EU, he should table a motion. *[Interruption.]*

Mr. Speaker: Order. I know that the Minister for Europe has the effect of winding up Opposition Members, but they must do their best to contain themselves.

Cyprus

8. **Mr. Anthony Wright** (Great Yarmouth) (Lab): What recent assessment he has made of the political situation in Cyprus. [31132?]

The Minister for Europe (Chris Bryant): Last week's talks in Cyprus were a positive start to intensified negotiations. The Prime Minister has spoken, I think, to both leaders this week. We remain a keen supporter of the Cyprus settlement process and continue to believe that it presents a unique opportunity to solve this historic and difficult problem.

Mr. Wright: I thank my hon. Friend for that answer. I am sure that there are hundreds of Greek Cypriots in my constituency who will welcome the talks continuing. However, one thing to be regarded as a success in Cyprus is the Committee on Missing Persons, which is bi-communal. It has been supported by significant funding from across the international community, and has been hugely successful—indeed, only last year one of my constituents, Andrew Michael, was able to find closure when he went to the island to bury his father, who had been missing. Will my hon. Friend the Minister give me an assurance that the funding for this important project—from both the UK and the international community—will continue?

Chris Bryant: I visited Cyprus last year. When I was there, I met the people who run the Committee on Missing Persons. The important forensic work that they do is very moving, and my hon. Friend is right to say that it gives people an opportunity to find closure through knowing what happened many years ago.

I am aware of the significant financial needs that committee members think that they will have in the next couple of years. We will work with them to make sure that those needs are met.

Mr. Mark Francois (Rayleigh) (Con): In fairness, the Minister sometimes winds his own side up too.

The Minister will be aware that elections are due in northern Cyprus in April, and that not all the candidates are fully behind the current talks process, so there is a danger that the window for achieving a lasting settlement is beginning to close. Given that, what more can Britain do to encourage all the parties, including the Turkish Government, to demonstrate greater flexibility, so that this truly important opportunity to achieve a lasting settlement for Cyprus is not lost?

Chris Bryant: I am grateful for the ringing endorsement from the hon. Gentleman.

The hon. Gentleman is absolutely right to say that this is a very important moment. The two leaders have known each other for many years, and both have staked their political careers on trying to come to a resolution of a situation on the island that feels both tragic and morally indefensible. I was in Istanbul this weekend, when I spoke to Egemen Bagis and argued with him about the need for Turkey to implement the Ankara protocol, to which it has already signed up. It is clearly important that we do our job of work in persuading both Greek and Turkish counterparts to do their fair share, but the proposal that we have put on the table is that 50 per cent. of the land currently in UK sovereign bases will be made available to a united island, once there is a resolution.

UK and Iran

9. **Mr. Ben Wallace** (Lancaster and Wyre) (Con): What his most recent assessment is of the state of relations between the UK and Iran. [31132?]

10. **Michael Fabricant** (Lichfield) (Con): What his most recent assessment is of the state of relations between the UK and Iran. [311322]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I am glad that the hon. Member for Lancaster and Wyre (Mr. Wallace) is learning the art of asking questions. We will give him a lot of practice for many years to come, I think.

Iran continues to refuse to engage in a constructive manner with the international community. We have been ceaseless in seeking better relations with Iran, and the E3 plus 3 group has made a serious offer for widespread co-operation on the basis of international rules. Despite this, Iran refuses to heed five UN Security Council resolutions, continues to deny its own citizens' human rights, and supports armed groups in the region.

Mr. Wallace: Unlike the Foreign Secretary, I do not take six hours to answer the important questions.

On Saturday, the Chinese effectively kicked into the long grass the effort by the E3 plus 3 to impose a new round of sanctions when they sent a junior delegate to the meeting in the UN. Given that China has faced two ways on arms sales, oil imports and now on sanctions on Iran, is it not about time that the countries that want to try and resolve the issues to do with Iran seek more imaginative options? Will the Secretary of State let the House know what other options he may consider?

David Miliband: I counsel the hon. Gentleman very strongly not to fall for the propaganda that says that the E3 plus 3 has failed to come to a united position; the truth is the opposite. All six countries agreed that now was the time to assess which sanction options were the right ones to implement. It may comfort President Ahmadinejad to dwell on who attended for the Chinese at the meeting on Saturday, but the Chinese commitment and representation was absolutely clear. At no stage was there any suggestion from them that they want either to opt out of the E3 plus 3 unity or to deny the progress that needs to be made. Iran is isolated on this issue, not China or the United Kingdom, and we should stick to that position.

Michael Fabricant: Last month the Iranians successfully test fired a new long-range missile capable of hitting targets in Israel and United States bases in the middle east. That, combined with their nuclear programme, is a very frightening nexus, indeed. Are we not sleepwalking towards a major war in the middle east? What steps can the Government take to avoid that?

David Miliband: It is important that we are clear about the dangers posed by the Iranian's nuclear programme and their other activities in the region. Equally, we must not talk ourselves into—the hon. Gentleman used the word "war", which is a very dangerous word to use, especially in the middle east. It is quite the wrong time to believe that diplomacy cannot resolve the issue. It is clearly in the interests of the Iranian people to seek proper relations on the basis of international rules with the international community, and that is why we are absolutely committed to the diplomatic track and believe that it can work. The truth is that the Iranian people do not have an argument with the rest of us, and we must make sure that we do not start one.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Will my right hon. Friend say whether the E3 plus 3 group has discussed the Russian proposal to enrich uranium? Does he think that there is any mileage in it, and is it something that the Iranians may well bend to as negotiations continue?

David Miliband: We certainly have. It is a very important proposal, which former director el-Baradei of the International Atomic Energy Agency tabled, but the Iranians have not given a positive response. Their reply, which is not in writing and, even at that, has not been formally tabled, does not accept the simple point that the IAEA-Russian proposal makes, which is, "The Iranians say that they have only civilian use for the low-enriched uranium; here is a way in which it can be enriched for medical purposes and returned to Iran for those purposes." Nothing would more clearly demonstrate to the wider world that Iran is serious, but it has not taken that opportunity.

Mr. Denis MacShane (Rotherham) (Lab): I hope that my right hon. Friend does not flinch from those criticisms of Britain's involvement in Iran. I would be very proud if the United Kingdom was on the side of the great Persian nation, its culture and the green revolution of young people as they march to overthrow those ayatollahs and their tyrants. Is this not a case whereby so-called soft power has to work? Will he talk to other Departments and other Governments to see what we can do to encourage the people of Iran, like the people of Poland in 1980 and the people of South Africa, to overthrow that tyranny and install democracy?

David Miliband: I think that I am right in saying that on 70 occasions over the past few years the Government have raised human rights issues. Given that the Iranian Government say that they want to give us a slap in the mouth for the vehemence with which we have expressed our opinions, no one can say that the Government have been soft or recalcitrant in putting forward those views.

Viva Palestina Convoy

11. **Paul Rowen** (Rochdale) (LD): What recent reports he has received on the Viva Palestina convoy to Gaza; and if he will make a statement. [311323]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): The Government remained in close contact with the convoy organisers and the Egyptian Government. The Government's clear advice is against all travel to Gaza. We set that out to the Viva Palestina convoy organisers, and we provided appropriate consular assistance to all the convoy members who requested it.

Paul Rowen: I thank the Minister for that, but, given that it is now 12 months since the Israelis withdrew from Gaza, what steps are the Government taking to ensure that convoys and aid can reach the stricken people of Palestine?

Mr. Lewis: The Foreign Secretary made it absolutely clear that, at every opportunity, Britain makes it clear that it is Israel's responsibility—and, indeed, Egypt's responsibility—to remove all obstacles to humanitarian assistance. Since the conflict in Gaza, the United Kingdom

has made unprecedented resources available in terms of humanitarian assistance and reconstruction through international development assistance and aid. Alongside that, we have made it very clear that we call on Hamas to do everything to stop the rocket attacks that have recently restarted against Israel, and to release Gilad Shalit as a matter of urgency.

Mr. David Winnick (Walsall, North) (Lab): In view of the destruction that Gaza suffered last year, and arising from previous answers by the Foreign Secretary, is my hon. Friend aware that it would be wrong and harmful to Britain's reputation if the law here on suspected war criminals were changed in order to protect former Israeli Ministers or, indeed, former Ministers anywhere, and does he agree that the law should remain as it is?

Mr. Lewis: My right hon. Friend the Foreign Secretary has made it very clear that we will uphold our international obligations in terms of those accused of war crimes. However, Israel is an important strategic partner and a close friend of the United Kingdom. If we are to bring peace to the middle east and make a significant contribution to kick-starting the beginning of a political process that will lead to the two-state solution, which all Members of this House fundamentally believe in, it cannot be right that leaders of Israel are unable to enter this country because of what we believe to be an unintended consequence of the universal jurisdiction laws.

Yemen

12. **Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): What recent steps his Department has taken to seek to resolve the conflict in Yemen; and if he will make a statement. [311324]

13. **Mr. David Chaytor** (Bury, North) (Lab): What steps the Government are taking to seek to resolve the conflict in Yemen. [311325]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): The root causes of conflict in Yemen are a lack of governance and of delivery of services by the state. The UK strategy is to tackle these causes in co-operation with the international community. The meeting in London on 27 January is part of that wider strategy, and it will seek to help the international community to co-ordinate both its response to these issues and support for the efforts of the Government of Yemen.

Mrs. Humble: Given how important next week's meeting will be, can my hon. Friend outline the objectives that he hopes will be met in order to solve not only the problems of Yemen but the problems that Yemen causes for so many other countries?

Mr. Lewis: My hon. Friend asks absolutely the right question. Last year, the United Kingdom signed up to a cross-Government strategy that dealt with the issues of security, more effective governance and economic and social development in Yemen, and those will be the focus of the meeting in London. We want to get the international community to come together and support the Government of Yemen in relation to those challenges. Ultimately, social and economic progress are the best ways of guaranteeing security and stability in Yemen.

Mr. Chaytor: Does my hon. Friend see the problems in Yemen as exactly analogous to those in Afghanistan? If he does, what kind of intervention by the international community is needed?

Mr. Lewis: We do not see the challenges that we face in Yemen and in Afghanistan as being the same. In Yemen, while there is a very fragile state and Government, there is a functioning Government. It is very important that we do everything that we can at this early stage—surely the lesson from Afghanistan and, indeed, from Iraq, is early intervention—to support the Government of Yemen in relation to the economic and social challenges that they face, because, as I said earlier, that will be the ultimate difference that will lead to greater security and stability in Yemen and minimise the threat to the international community.

Topical Questions

T1. [311338] **Meg Munn** (Sheffield, Heeley) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): No one in this House can fail to be moved by the plight of the Haitian people today. It is a human tragedy of enormous proportions, with more than 50,000 confirmed dead and 3 million in need of assistance—fully one third of the total population of that country. The UK Government have so far pledged £20 million, and the British public almost the same. UK search and rescue experts are working alongside teams from 27 countries. Yesterday, the EU pledged more than €345 million. An increasing amount of aid is reaching those who need it—a huge task given the extent of the damage to the limited infrastructure of Haiti. My right hon. Friend the Secretary of State for International Development, the Prime Minister and I are working closely with the UN, whose lead co-ordinating effort is vital, and with key partners—above all, the US and Canada—to ensure that all necessary steps are taken for the effective delivery of aid.

Meg Munn: I declare an interest in relation to a recent visit to Iraq supported by the Kurdistan regional government.

The forthcoming Iraqi elections are an important step in the development of Iraq, but so is the development of trade links. Will my hon. Friend agree to organise the first UK trade mission to Kurdistan, Iraq's safest and most open region, to support its future development?

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I begin by paying tribute to my hon. Friend for her long-standing interest in Kurdistan. Before Christmas I visited Iraq, and I went to Baghdad, Basra and Erbil. There is absolutely no doubt that there is a tremendous appetite for a much closer business and trading relationship and a normalisation of the economic relationship between Kurdistan and the United Kingdom, and I will certainly look into her specific proposal.

T3. [311340] **Andrew Selous** (South-West Bedfordshire) (Con): On 1 December, the Foreign Secretary said that he would follow up the issue of the 8,000 desks provided by the United Nations for schoolchildren in

Gaza that cannot be assembled because Israel will not let in the screws and brackets. Could he kindly tell the House what follow-up action he has taken since then?

David Miliband: I cannot, but I will write to the hon. Gentleman as soon as we get an answer. I asked for the issue to be followed up, and I will certainly write to him and place a copy of the letter in the Library.

T2. [311339] **Stephen Pound** (Ealing, North) (Lab): While I am sure you have received a blizzard of congratulations on your birthday today, Mr. Speaker, may I add my voice, particularly as I believe you share this glorious anniversary with three Conservative Members of Parliament and, possibly even more felicitously, with Dolly Parton?

May I ask my hon. Friend the Minister for Europe what assessment he has made of the European arrest warrant as a counter-terrorism measure?

The Minister for Europe (Chris Bryant): Happy birthday, Mr. Speaker—I hope that that does not wind you up.

My hon. Friend makes a serious point about the European arrest warrant, which is one of the most important crime prevention tools that we have in Europe. It proved vital following the 21 July attempted bombings, when we had to secure the arrest of a citizen in Italy. The only sadness is that the Conservative party does not support it.

T4. [311341] **Mr. Desmond Swayne** (New Forest, West) (Con): On 3 January the Prime Minister announced with great fanfare the conference on Yemen, and this afternoon the Minister of State has given its importance further billing. However, we discovered in a written answer yesterday that the conference is likely to last two hours. Has the announcement been over-sexed just a little bit?

David Miliband: My felicitations as well on your birthday, Mr. Speaker. I do not know whether it was the mention of Dolly Parton that excited the hon. Gentleman.

The meeting on Yemen will bring together 21 countries including the United Kingdom. It will be a serious look at the security, economic and political issues in that country, and I hope that it will also lead to more cohesive international engagement with Yemen. The hon. Gentleman should welcome the meeting, as it will make a useful contribution to a dangerous situation.

T5. [311342] **Keith Vaz** (Leicester, East) (Lab): I declare my interest in respect of Yemen and welcome the conference. However, what is the rationale behind the Department for Transport suspending direct flights between Sana'a and London? Surely this is the time when we should be engaging with the Yemeni Government and people, not isolating them by preventing them from flying direct to London.

Mr. Ivan Lewis: I would lead a chorus of "For He's a Jolly Good Fellow", Mr. Speaker, if it would guarantee unanimous support from the Opposition.

My right hon. Friend raises an important issue, but the first responsibility of any Government is the security of its citizens. The Department for Transport has very good information that suggests that in that context, at the moment it is in the best interests of Yemen and of the UK for those flights to be suspended. However, I want to make it very clear that representatives of the British Government are currently in Yemen supporting the Yemeni Government and advising them about how they can enhance security measures at their airport to ensure that those flights can be resumed in future. Once we have a report back from that visit we will be able to make decisions.

Mr. William Hague (Richmond, Yorks) (Con): I support what the Foreign Secretary said about the plight of the people of Haiti and the efforts made to alleviate it.

Does the Foreign Secretary share our concern about recent developments in Iraq involving the disqualification from the forthcoming elections of large numbers of Sunni candidates on the grounds of their former membership of the Ba'ath party, possibly even including the current Defence Minister, who became a strong opponent of the Saddam regime? Would it not be deeply disturbing and dangerous if Iraq's politics became once again more sharply sectarian? The United States is very active in trying to change that situation. Can the Foreign Secretary say what representations the British Government have made, and what representations they will be making, to the Iraqi Government?

David Miliband: It has been a foundation of UK policy in Iraq over successive years to argue the case that Iraq needs to establish itself as a pluralist democracy in the middle east. It is very important that the sectarian potential of that country does not become the basis on which politics is organised.

We view with genuine concern any attempt to restrict the candidates in the forthcoming March elections. In that context, the Foreign and Commonwealth Office Minister, my hon. Friend the Member for Bury, South (Mr. Lewis), was in Iraq just before Christmas and was able to discuss directly with Prime Minister Maliki the importance of opening up the democratic process. A very large number of candidates are putting themselves forward for election; as far as we are concerned, it should be as large as possible.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Many innocent families were forced off their properties during the 1974 occupation of northern Cyprus. Therefore, does my hon. Friend agree that any peace process must allow those people to go back to their legally owned homes or to get compensation?

Chris Bryant: My hon. Friend is absolutely right that one of the key issues is going to be property. That is why we support a whole-package solution to Cyprus. In the end, the solution must not be dreamed up in Ankara, Athens or London; it must be a resolution of the two sides, which everybody in Cyprus can then vote for. The decision of the Court of Appeal today in the Orams case is going to provoke quite a lot of soul searching over the days to come.

T6. [311343] **Mr. Andrew Mackay** (Bracknell) (Con): Following the election of the new President in Croatia and the successful resolution of a territorial dispute with Slovenia, will the Foreign Secretary accept that there is no need for any further delay in Croatia becoming a member of the European Union, and will he and his fellow Foreign Ministers use their best offices to ensure that that happens as quickly as possible?

David Miliband: We welcome the election of the new Croatian President, although I hope that on reflection, the right hon. Gentleman will realise that he slightly misspoke. There is a major outstanding issue before membership of the European Union, namely full co-operation with the International Criminal Tribunal for the Former Yugoslavia in respect of the situation in the 1990s. I spoke to the Croatian Foreign Minister last week and said that the UK would not block the opening of chapter 23, which is an important chapter in the renegotiations, but I emphasised to him that while we welcome what the Croatian Prime Minister has done in terms of setting up a taskforce to find the important lost documents that are at the heart of ICTY co-operation, it remains the responsibility of the Croatian authorities to pursue this case to the end.

I hope the right hon. Gentleman recognises that that sort of conditionality is an important part of becoming a functioning member of the European Union. May I make this point, Mr. Speaker, because I think it important? The Croatian Foreign Minister said that he agreed with that approach, because he is helping to drive a process of reform in Croatia so that it can come to terms with its own past. That requires the sort of openness and transparency that is at the heart of the EU accession process.

Mr. Speaker: Order. It goes without saying that all the Foreign Secretary's points are important to the House, but we must try to make a bit of progress.

Rob Marris (Wolverhampton, South-West) (Lab): The Foreign Secretary today repeated that the UK Government favour sanctions against Iran because that country might be trying to develop nuclear weapons. However, the UK Government do not support sanctions against the state of Israel, which already has nuclear weapons. Will he please explain that contradiction?

David Miliband: I do not think that that is a contradiction because, first of all, we are clear that the possession of nuclear weapons by any state in the middle east is not a contribution towards peace in that region. That is why we have long supported a middle east that is free of nuclear weapons. Secondly, Iran is a signatory to the non-proliferation treaty. I would have liked to see Israel itself sign the NPT a long time ago, but it did not do so. Thirdly, it is very clear in the Arab world that although the Israeli programme may be viewed with disdain, it has not been the basis for mass proliferation in the middle east. The danger of the Iranian programme is that it will be the basis for precisely that sort of proliferation right across the Arab world.

Lembit Öpik (Montgomeryshire) (LD): The three Baha'is detained in Tehran and the one detained in the town of Semnan turn out to be relatives of the seven Baha'i leaders whose trial commenced on 12 January. Is the Foreign Secretary willing to meet me and a delegation of UK Baha'is to hear our concerns about the arrests and the trial? We also encourage him to seek assurances of fairness and justice from Tehran.

Mr. Ivan Lewis: We are very concerned about the situation facing the Baha'i community, and I personally agree with the hon. Gentleman's concerns. I am more than happy to meet him and a delegation as soon as possible.

Jeremy Corbyn (Islington, North) (Lab): May I take my right hon. Friend the Foreign Secretary back to the answer that he gave to my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), which contained a huge non sequitur? If my right hon. Friend is condemning Iran, as I would, for developing nuclear weapons, why cannot he—in the same unequivocal terms—condemn Israel for holding and developing nuclear weapons? There is an obvious danger of proliferation in the region simply because there are nuclear weapons there and, therefore, an implied threat.

David Miliband: We do clearly say that that policy of a middle east free of nuclear weapons is the right vision for the future. Equally, I think that it is right to recognise that the development of the Iranian programme is of concern not just in Israel, but right across the Arab world. Now, it is absolutely clear that if the Iranians do go ahead and develop a nuclear weapons capability, the chances of Israel disarming are zero, and that is why the immediate challenge that we face does relate to the Iranian programme. That is why it is very important to stop the rot in the NPT before it gets any deeper.

T7. [311344] **Mr. Mark Harper** (Forest of Dean) (Con): I listened carefully to the Foreign Secretary's answer to the hon. Member for Liverpool, Riverside (Mrs. Ellman). He agreed, I think, that leaders of Israel should be able to come to the United Kingdom without fear of arrest. What I did not hear in his answer was the steps that the British Government will take to ensure that that can happen.

David Miliband: The issue arises in respect of an anomaly in English law with respect to the taking out of arrest warrants on the basis of so-called prima facie evidence—a different test than is required for prosecution. So under English law, arrest warrants can be issued even when there is no chance of a prosecution taking place. The Government are looking at ways to remedy that anomaly, but it is important that we do so in a way that preserves our commitments to pursue war crimes and allows private individuals to make representations in such cases. When we have been through all the legal aspects, we will come forward to the House with an answer.

Mr. Tom Watson (West Bromwich, East) (Lab): The Government have sought to reassure concerned Members about the EU negotiations on the free trade treaty with Colombia. That has been reassuring, but will the Minister raise the case of Liliana Obando, a human rights campaigner who, to use the words that the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Bury, South (Mr. Lewis) used earlier, is facing trumped-up charges and a bogus trial for her human rights activities?

Chris Bryant: I am grateful to my hon. Friend for raising this matter. We will indeed do so. The human rights situation in Colombia is a matter of significant concern to us, with the number of trade unionists and others murdered every year. We need to ensure that if we move forward with a trade deal with Colombia and Peru, it contains robust and enforceable human rights clauses.

T8. [311345] **Norman Baker** (Lewes) (LD): Last year, the Government changed their long-standing position on the status of Tibet to recognise Chinese sovereignty, despite the fact that it has no historical basis. The Chinese secured a major diplomatic victory as a consequence, but the Government said at the time that the decision would enable progress in Tibet. Can the Minister point to one single concrete achievement for Tibet that has resulted from that badly judged decision?

Mr. Ivan Lewis: I can; I was the first British Minister ever to be allowed to visit Tibet.

Jane Kennedy (Liverpool, Wavertree) (Lab): Did my right hon. Friend hear the comments by Khalil al-Hayya yesterday in which he roundly rejected the Egyptian proposals for reconciliation on the Egyptian border with Gaza? Does not that clearly indicate the responsibility that Hamas carries for the suffering of its own people?

David Miliband: My right hon. Friend is right that Hamas bears a strong responsibility for seeking reconciliation on a basis that would allow the Palestinian people to find a way to achieve the state that should be their right, but is not yet their reality. Hamas bears a heavy responsibility in that area. Given that the whole Arab world has endorsed the Arab peace initiative, the question is why Hamas has not, and that question needs to be repeated again and again.

Mr. Nigel Evans (Ribble Valley) (Con): After the last demonstrations in Iran, hundreds of political prisoners are languishing in jail; some being tortured and 17 facing the death penalty. I do not think that Iran cares a stuff about having good relations with the UK, but can the Foreign Secretary use his influence with the international community to protect the lives of these innocent political prisoners?

David Miliband: It is a tragedy that Amnesty International has said that the human rights situation in Iran is the worst for 20 years. That is a blot on the copybook of a civilised and historic nation that deserves a civilised regime. I believe that it is not in Iran's interest to be isolated, and I do not believe that the hon. Gentleman is quite right to say that Iran does not care at all about its isolation. However, the people on the streets of Iran deserve our admiration for their determination to stand up patriotically for what their revolution was all about—serving the interests of the people in the Islamic republic.

Mr. Lindsay Hoyle (Chorley) (Lab): Will my right hon. Friend now relinquish his duty of laying a wreath at the cenotaph and ensure that the overseas territories lay their own wreath? That decision has been deferred for a long time. Can it now be taken—yes or no?

Chris Bryant: It has not been possible to secure unanimity on that decision, so we have no plans, I am afraid, to bring it forward this year.

T9. [311346] **Mr. Tobias Ellwood** (Bournemouth, East) (Con): I welcome the Secretary of State's comments on Haiti, but may I ask whether we are using all our assets? The Type 23 frigate, HMS Iron Duke, is in the Caribbean but not being utilised. Our military stabilisation and security teams, which performed so admirably after the Indonesian earthquake, remain to be dispatched to Haiti. Will he consider those assets?

David Miliband: Unlike the situation in Indonesia, Haiti's Government have been all but eradicated. The Ministry of Defence has certainly looked at the use of all its assets as part of the international effort under UN leadership, and we will continue to consider any way in which we can make a difference in Haiti.

Mr. Denis MacShane (Rotherham) (Lab): The President of the European Union Council, Mr. Van Rompuy, has been in London today. Will the Foreign Secretary inform the House on whether he stopped the traffic?

David Miliband: As it happens, I was not listening to Capital Radio at 8.30 am, when the Council President's motorcade—for I assume that it was a motorcade—went through London. However, I know that he was delighted to meet the Cabinet after his meeting with the Prime Minister this morning, and that he and the Prime Minister set out a very ambitious agenda for European growth and jobs that will support the efforts being made in this country to ensure that the fragile recovery is turned into strong and robust growth.

T10. [311347] **Philip Davies** (Shipley) (Con): Will the Foreign Secretary tell the House how many powers have been handed from the European Union back down to national Parliaments since the principle of subsidiarity was recognised under European Community law by the Maastricht treaty? In the same time, how many powers have gone from national Parliaments up to the EU?

Chris Bryant: One of the most important powers that Parliament now has, following the Lisbon treaty, which the hon. Gentleman opposed, is the power to say no to legislation proposed by the Commission. I would have thought that he would support that—it is one of the reasons why I would have thought that he would support the Lisbon treaty—but if he wants to remain on the extremist wing of Europe, he should feel free to remain there.

Mark Pritchard (The Wrekin) (Con): Even without the nuclear question, Iran remains a malevolent, oppressive and destabilising influence in Latin America, the horn of Africa, central Europe and Lebanon. What discussions has the Secretary of State had with the Government of India to try to convince Iran to understand the will of the international community?

David Miliband: I was pleased to meet my Indian opposite number at the G8 meeting and then at the Commonwealth conference. It is important to recognise that when the IAEA voted recently on a resolution on the Iranian nuclear programme, India supported the majority position—I think that 22 of the 25 countries supported it. That is an important step forward, and I was pleased that it did so.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): With the terrible events in Haiti, and as we look forward to its reconstruction, can the USA's blockade or embargo of Cuba be helpful to regional prosperity, including in Cuba's near neighbour, Haiti, in the years to come?

Chris Bryant: We have long opposed the blockade of Cuba. We think that it is inappropriate and does not encourage Cuba to open its society and economy. We think that it is wholly misguided, as we regularly tell our American counterparts.

Mr. Stewart Jackson (Peterborough) (Con): Over a number of years the Foreign Office has been complicit with the Government of the Republic of Turkey in denying the Armenian genocide of 1915. In the dying months of this Administration, is the Foreign Secretary happy that this situation should prevail?

David Miliband: My hon. Friend the Minister for Europe has happily deferred to me to answer this question.

Mr. Keith Simpson (Mid-Norfolk) (Con): He doesn't know!

Chris Bryant: I do.

David Miliband: My hon. Friend says that he knows the answer, but he did not spring to his feet. The hon. Member for Peterborough (Mr. Jackson) will know that it has been the long-standing position of the British Government, as articulated both publicly and privately in Turkey, that there should be a proper historical investigation into those events that has the confidence of both sides. However, he should recognise that the recent opening of closer relations between Turkey and Armenia is a significant step forward. As it happens, last Tuesday, when the Turkish Foreign Minister was here, was also the day when those talks took a further step forward beyond so-called football diplomacy and into real diplomacy. That is something that we should welcome and congratulate both sides on.

Mr. Speaker: I am glad that the House is in such an ebullient and, on the whole, good-natured mood. As usual, I have tried to practise the maximum inclusivity and have done my best to be accommodating, but from now, if we are going to get everybody in, we will need pithier questions and pithier answers.

Several hon. Members *rose—*

Mr. Speaker: We will shortly move on to the ten-minute rule motion, but I hear a chorus of points of order on its way.

Points of Order

3.41 pm

Mrs. Caroline Spelman (Meriden) (Con): On a point of order, Mr. Speaker. The Government have released a written ministerial statement on the vexed subject of garden grabbing this afternoon. However, it was clearly briefed to journalists some 24 hours beforehand, as *The Daily Telegraph* reports not only its contents, but the intended actions of the Minister for Housing. The statement was therefore clearly briefed out with his explicit consent. As you have previously advised, Mr. Speaker,

> "Ministers ought to make key statements to the House before they are made elsewhere."—[*Official Report*, 24 June 2009; Vol. 494, c. 798.]

Would you agree, therefore, that first sight of that important statement should have been given to the House and that it should have been debated?

Mr. Speaker: I hope that the hon. Lady, and more particularly the House, will understand that, in the course of a busy day thus far, my eye has not chanced on the particular article to which she refers. I think that it would be prudent for me, and fair also to the Minister to whom she refers, first to make inquiries and try to check the position and ascertain the vantage point of the Minister before reaching a definitive view. What I can say, however, is twofold. First, I am grateful to the hon. Lady for highlighting the matter. It is in the public interest that she has done so. Secondly, I think that she knows—and the Ministers on the Treasury Bench are also aware—that I strongly deprecate the practice of leaking when it takes place. It is very important to establish the facts in this case, but important statements must be made first to the House. They should not be given to the media, either through direct speech or through briefing by others on Ministers' behalf. I hope very much that that has not happened in this case, but I will look into the matter and revert to the hon. Lady.

Mr. Tom Harris (Glasgow, South) (Lab): On a point of order, Mr. Speaker. I seek your guidance on the matter of a £21,000 donation that was made to the office of the shadow Health Secretary on 17 November by a Mrs. John Nash, the wife of the chairman of a private health care company. Was it in order for the hon. Gentleman to lead the Conservative party in the health debate on the Queen's Speech two days later, on 19 November, when he had not registered that interest?

Mr. Speaker: The registration of interests is a matter for Members to undertake, and there are rules within which they must operate. If I were a cynical or suspicious soul, I might suppose for one moment that the hon. Gentleman was seeking to inveigle me into a political debate or argument; but as I am a charitable character, I must assume that that is not his intention.

Mr. Peter Bone (Wellingborough) (Con): Further to that point of order, Mr. Speaker. For clarification for Members, if donations—for instance, to the Health Secretary, whose office I have notified that I would be raising this point of order—are properly declared, they do not influence policy, so where is the problem in what is being brought up?

Mr. Speaker: I have already ruled on the matter. Just as I was charitable enough to conclude that the hon. Member for Glasgow, South (Mr. Harris), from the Government Back Benches, was not seeking to inveigle me into an argument, I feel sure that, notwithstanding any appearance to the contrary, the hon. Member for Wellingborough (Mr. Bone) is not seeking to persist, or to encourage me to persist, with any such argument. That would be very wrong, and the hon. Gentleman would not invite me to do anything that was very wrong.

Dr. Tony Wright (Cannock Chase) (Lab): On a point of order, Mr. Speaker. I think that the House will have been expecting a statement on Cadbury today. It cannot be right that a successful, progressive, iconic British company can be taken over by a foreign predator for short-term gains, with huge potential long-term dangers. Will you make inquiries as to whether a Minister will come to the House and make a statement?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. A decision on whether to volunteer a statement is, of course, a matter for the Government. Ministers on the Treasury Bench, and their colleagues in the relevant Department, will have heard the point of order. I think that it is fair to say that Members who have an interest in the matter will be looking for, and are almost certainly already exploring, other means by which the matter can be highlighted in the Chamber or Westminster Hall. However, I note what the hon. Gentleman has said, and hope that Ministers will have noted it. I feel sure that we have not yet heard the end of the matter.

Norman Baker (Lewes) (LD): On a point of order, Mr. Speaker. Shortly after your election, I suggested to you that it would be a useful democratic innovation if those Cabinet Ministers based in the House of Lords were able to come to the Commons to answer departmental questions—a point to which you responded in a positive manner. I appreciate that those Cabinet Ministers now respond in the Lords, but that does not quite meet my concerns. Can you update the House on the latest position on that matter?

Mr. Speaker: As the House will know, the hon. Member for Lewes (Norman Baker) is usually conversant with what is going on and takes a keen interest in all such matters. He will, I am sure, be aware that there have been ongoing discussions on the subject. It is no secret that I have commented on the issue, underlining the importance of Lords Ministers' accountability to the House. Indeed, I have done so recently in a number of speeches and interviews.

I should say to the hon. Gentleman, in case he is not aware of it, that I have asked the Procedure Committee to look at the matter, and have encouraged it to do so with some dispatch, as, frankly, this is not a matter of any complexity. It does not require the garnering of large quantities of written or spoken evidence. What is sought is the expression of an opinion and the reaching of a judgment. Certainly, I am keen that we should not delay reaching a satisfactory conclusion on this important matter. I call Dr. Bob Spink.

Bob Spink (Castle Point) (Ind): On a point of order, Mr. Speaker. I am most obliged. Have you had notice that a Minister will make an early statement to the House about today's Court of Appeal judgment in favour of Meletios Apostolides and against Orams, which establishes enforceable property rights for Cypriot refugees? We should have such a statement so that no more British people make the expensive mistake of buying occupied Cypriot property from the Turkish occupiers—property that must be returned to the rightful owners without compensation.

Mr. Speaker: What the hon. Gentleman has raised is, I am sure, a matter of great interest, and possibly also of considerable complexity. I have to admit that it is a matter on which my ignorance is unequalled by any other Member of the House. What is more, it is not obvious to me, as of this moment, that it constitutes a point of order, but the Minister for Europe is stirring from his seat, and I feel sure that we will hear his words of wisdom.

The Minister for Europe (Chris Bryant): Well, I do know slightly more about this subject that you do, Mr. Speaker, so might I help? The judgment was given only this morning; we hope to update the House as soon as possible.

Mr. Speaker: Well, we seem to have exhausted points of order. We are all very grateful for that, and none more so than the person responsible for the ten-minute Bill, Mr. Frank Doran.

Health and Safety (Company Director Liability)

Motion for leave to bring in a Bill (Standing Order No. 23)

3.49 pm

Mr. Frank Doran (Aberdeen, North) (Lab): I beg to move,

That leave be given to bring in a Bill to amend the Health and Safety at Work etc Act 1974 in respect of the liability of company directors; and for connected purposes.

Thank you, Mr. Speaker. I was beginning to think that someone was trying to talk the Bill out. Over the past 12 years, we have made substantial progress on health and safety at work issues. I am particularly pleased and proud that this Government passed the Corporate Manslaughter and Corporate Homicide Act 2007, but that Act did not address all outstanding issues, and there are still gaps. My Bill is intended to fill one of the more significant ones, relating to the responsibility of company directors under the current legislation.

Under the Health and Safety at Work, etc. Act 1974, primary duties are placed on an employer. Where that employer is a company, the duties are placed on the company as a separate legal entity, and not on the directors or shareholders. There are some areas in which it could be argued that there is some responsibility on directors. Section 7 of the Act, for example, places duties on all employees in respect of their own safety or that of others. However, that seems to operate only when an individual is acting as an employee, and not as an officer of the company, which is what a director is.

Section 37 of the Act imposes specific duties on directors. Subsection (1) states:

"It is a primary duty of a director of a body corporate to take all reasonable steps to ensure that the body corporate acts in accordance with the obligations imposed on it by any regulations, orders or other instruments of legislative character relating to health and safety. Any director failing to carry out this duty shall be guilty of an offence and shall be liable to be proceeded against and punished accordingly."

There have been prosecutions under this section, but only a handful each year compared with the number of industrial accidents.

The problem with section 37 is that, before there can be a successful prosecution, the prosecutors are required to prove that a company director was aware, or should have been aware, that an offence had been committed. There is no obligation on any company director to take action to inform themselves of any offences being committed by the company or to take steps to prevent offences from being committed.

The duties imposed under the 1974 Act on employers across the board, including companies, are positive. In general, those duties require the good management and common sense that a sensible employer would employ anyway—namely, the need to look at and assess risks associated with any task, and to take sensible measures to tackle them.

This general duty is in stark contrast to the position of directors of a company. The legislation imposes no positive obligations on directors. The responsibilities placed on directors by section 37 have been very narrowly interpreted by the courts. Companies that decide not to place specific safety responsibilities on directors, or that

can draft requirements in such a way that they can be easily complied with, can therefore avoid prosecution without too much difficulty. The approach in section 37 in respect of company directors is totally contrary to the whole ethos and philosophy of the rest of the Health and Safety at Work, etc. Act, which encourages good practice.

The Health and Safety Executive attempted to correct this anomaly in 2001 by introducing a voluntary code of guidance. Among other provisions, the code provides that

"each member of the Board needs to accept their individual role in providing health and safety leadership for their organisation",

and

"recommends that Boards appoint one of their number to be the Health and Safety Director".

Despite the enthusiastic reception of the code by business organisations, the majority of companies have not implemented its recommendations. In 2007, the Union of Construction, Allied Trades and Technicians commissioned a study of the role of directors in health and safety. The report, "Bringing Justice To the Boardroom", is an excellent and important piece of work, and the union is to be congratulated on commissioning it. I have leaned on it heavily in my own research.

One of the report's most significant findings, based on HSE data, is that only 44 per cent. of organisations have a health and safety director at board level. That is obviously disappointing because, again using HSE data, the report shows consistently positive effects from attaching direct responsibility for health and safety to a named director.

The report contains a list of organisations that complied with the guidelines. Those organisations showed reduced accident rates ranging from a 4.3 per cent. reduction in the one year at Neales Waste, through to a 100 per cent. decrease in recordable incidents—down from a seven-year average of nine to zero in 2004—at Esso's Fawley refinery. Other well-known business names showed equally impressive reductions. Debenhams reported a 20 per cent. reduction in accidents in a one-year period, and Sainsbury's showed a 28 per cent. reduction in reportable incidents over three years. British Sugar had a 43 per cent. reduction in lost-time injuries over two years, and Zurich Insurance—we always like to see the insurance industry doing well in this area—reported a 46 per cent. reduction in its accident rate over two years.

The payback on health and safety investment is not just about reduced accident rates. Such investment improves efficiency and staff morale, reduces costs and increases profitability, but, despite the best efforts of the HSE, the support of employer organisations, and these results, the UCATT report shows that only 44 per cent. of organisations have adopted the voluntary code.

The voluntary approach is not working, so more encouragement is needed to persuade employers to take health and safety much more seriously. Further research commissioned by the HSE shows how important legal regulation is in comparison with the voluntary approach. Following a critical report by the Work and Pensions Committee in 2004, the HSE commissioned a report from Professor Philip James. After a review of the evidence, he found that

"this evidence does indicate that statutory requirements are a major and perhaps the main driver of director behaviour with regard to the issue of health and safety at work. It also indicates that directors are influenced by potential personal legal liabilities, even when the likelihood of their being penalised is low—a point which further suggests that the presence of such liabilities can have a positive impact".

That is direct and to the point. Further HSE research shows that 61 per cent. of directors or managers agree or strongly agree that individuals' belief that they could possibly be imprisoned constitutes an essential or important argument for enforcement to have the deterrent effect, while 52 per cent. cite individual legal consequences as essential or important.

Despite consistent improvement in the years since the Health and Safety at Work, etc. Act 1974 was introduced, the number of deaths, serious injury and illness recorded in the workplace is still far too high. In 2008-09, 180 workers were killed at work, 131,895 suffered serious injury, a further 246,000 suffered reportable injuries and 551,000 new cases of illness caused at work were recorded. The numbers of death, injury and illness are high, but the number of prosecutions is low. The HSE prosecution database indicates that, on average, only seven directors or senior managers have been convicted of health and safety offences in each of the five years up to 2007. Over the five-year period in which around 350 construction workers died and 9,000 suffered major injuries, only 13 construction company directors were convicted for a health and safety offence.

All of the evidence points very clearly to the fact that the voluntary approach is not working. We desperately need another approach—one that will bring the responsibilities of company directors into line with all other employers under our health and safety legislation, and one that will be of benefit not just to the work force but, as the HSE's own research shows, to employers as well.

My Bill will place a positive duty on all company directors to take all reasonable steps to ensure health and safety in all aspects of the company's activities—effectively to put them in the same position as all other employers and to remove a glaring anomaly in our health and safety laws. The evidence clearly shows that this will save the lives and livelihoods of people across the UK. I commend the Bill to the House.

Question put and agreed to.

Ordered,

That Mr. Frank Doran, Tony Lloyd, Mr. Stephen Hepburn, Rob Marris, Jim Sheridan, Mr. Ian Davidson, Judy Mallaber, Natascha Engel, Miss Anne Begg and Mr. Lindsay Hoyle present the Bill.

Mr. Frank Doran accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 23 April, and to be printed (Bill 51).

Constitutional Reform and Governance Bill (Programme) (No. 3)

3.59 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): I beg to move,

That—

(1) the Order of 3 November 2009 in the last Session of Parliament (Constitutional Reform and Governance Bill (Programme) (No. 2)) be varied as follows: in the Table, for the entry relating to the third and fourth days of Committee there shall be substituted:

Table

Third day

Proceedings	*Time for conclusion of proceedings*
Clauses 24 to 28, new Clauses relating to Part 2, new Schedules relating to Part 2, Clause 35, Schedule 5, new Clauses relating to Part 4, new Schedules relating to Part 4, new Clauses relating to the effect of section 18(7) of the Electoral Administration Act 2006.	The moment of interruption on the third day.

Fourth day

Proceedings	*Time for conclusion of proceedings*
Clauses 29 and 30, Schedule 4, Clauses 31 to 34, new Clauses relating to Part 3, new Schedules relating to Part 3, remaining new Clauses, remaining new Schedules, Clauses 59 to 62, remaining proceedings on the Bill.	The moment of interruption on the fourth day.

(2) notwithstanding paragraphs 3 and 4 of that Order, if the proceedings shown for the third day in the first column of the Table above are concluded before the moment of interruption on the third day, the proceedings shown for the fourth day may be taken on the third day.

As Members know, three substantive parts of the published Bill remain to be debated: part 2 on the ratification of treaties; part 3 on the House of Lords; and part 4 on protests around Parliament. As such, I believe it to be appropriate that we today consider parts 2 and 4, along with a Government amendment relating to the effect of section 18(7) of the Electoral Administration Act 2006 on the right of Commonwealth and Irish citizens to be Members of the House of Lords and holders of other offices. That would leave the remaining day of Committee free to consider part 3 of the Bill on the House of Lords, along with any remaining proceedings.

I am aware that some Members are concerned about the amount of time allocated to the Bill, should the Government bring forward any additional amendments. In relation, for example, to the report by Sir Christopher Kelly's committee, my right hon. and learned Friend the Leader of the House said at business questions last week that we are considering how much time would need to be given to the Bill in the light of any amendments to implement the Kelly report, and that remains the position.

Mr. John Redwood (Wokingham) (Con): Why does the Minister not do what always used to be done in this place: let us debate things for as long as they take? As this is a constitutional matter of some importance, what is the difficulty in doing that?

Mr. Wills: The right hon. Gentleman has been a Member for such a long time that I am sure he knows the answer to that question. He should not waste the House's time by asking questions to which he already knows the answer.

I believe that the amended programme motion provides the right amount of time—an adequate amount of time—on the Floor of the House for the Bill as it currently stands, and I hope that Members will support it. I also hope the House will accept my commitment that the Government will look again at the allocation of time if there are any further amendments.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I apologise to the Members who are hoping to intervene, but the Minister has concluded his speech.

4.2 pm

Mr. Dominic Grieve (Beaconsfield) (Con): I am sorry to disappoint the Minister, but I will not agree to this programme motion, which represents a fairly pathetic performance by the Government in relation to how they treat the House. This is a constitutional Bill, and my right hon. Friend the Member for Wokingham (Mr. Redwood) is absolutely right that, historically, there would have been open-ended discussion of such Bills on the Floor of the House.

We do not like internal knives, as the Minister knows, and the one merit of the second group of two days for consideration of this Bill was that there were to be no internal knives so that the House could debate the matter at its leisure, and if it were to have become clear that there was insufficient time for everything to be considered, I would, doubtless, have approached the Minister, through the usual channels, to ask him kindly to make more time available. On that basis, there is no rational reason for the internal knives now to be inserted.

Moreover, as the Minister has candidly admitted—I am grateful to him for that—the fact of the matter is that this Bill is far from finished. We do not know what will be in about 50 per cent. of it, although we have had some hints. It will be a very important measure, and careful debate will be required on the recommendations of the Independent Parliamentary Standards Authority and how Parliament wishes to implement Sir Christopher Kelly's report. We have also been told that there will be a debate and opportunity to vote on an alternative voting system. Things could not be much more constitutional than that, but all these matters are deferred into the future, and we have no idea how much time will be allocated for us to consider them, or, indeed, how much time the House will then get on Report—I think the Minister would acknowledge that we will have to have a Report stage because the Government have amended their own legislation.

Mr. William Cash (Stone) (Con): In the context of the Report stage and IPSA, does my hon. and learned Friend agree with the suggestion that has been made

that IPSA might be called upon under this Bill to consider the salaries and pensions of Members of Parliament, which would, of course, require a very considerable amount of discussion?

Mr. Grieve: My hon. Friend is correct: there has been talk of that. However, I am not aware of that possibility having been included in any current amendments.

There have been many rumours about how we are to tackle the setting up of IPSA. Indeed, as the Government know, we are sympathetic to and wish to be supportive of most of the measures that it will introduce, although there may be some that, being outside Sir Christopher Kelly's remit, stimulate more debate. Of course I also have to accept that this is a matter on which Members of this House will wish to express their own views, free from interference from any Front-Bench team, because they have a right to do so. For all those reasons, the Conservatives are very unhappy about the way in which this is all meandering.

May I make a final point to the Minister that I do not believe to be uncalled for? The length of time that this Parliament still has to run is rather short, so it cannot be outside the Minister's mind that unless there is a degree of consensus on these matters, there must be a danger that a piece of legislation that I assume has the Government's support, that in many respects has the Opposition's support and that I believe has the Liberal Democrats' support—there is support from all parts of the House—could get into difficulty with time if the Government do not have a proper timetable. As we also know from experience, badly scrutinised legislation that is passed in haste, for whatever reason, including because the Parliament is running out of time, is likely to cause nothing but trouble later on.

For all those reasons, it seems to us that the Government are moving in the wrong direction. I strongly urge the Minister to leave the timetable as it is and to work hard in the next 24 hours—or at least in the next week—to tell the House what the Government are going to do in terms of the further amendments that will be tabled, so that this debate can have some structure and we can have a reasonable certainty of concluding it. For all those reasons, the Minister leaves me thoroughly unpersuaded as to any valid argument for introducing internal knives at this stage of the debate. I urge him to allow the House to proceed with this debate in the usual fashion, so that the arguments may be put forward and the House does not feel that it is being hurried along for absolutely no reason.

4.7 pm

Jeremy Corbyn (Islington, North) (Lab): I was hoping to intervene on the Minister, Mr. Deputy Speaker, but he was so quick in trying to get away from the Dispatch Box that I am now forced to make a speech.

The issue of timetable motions is not new to controversy, but there has always been a tradition that anything that can be deemed a constitutional Bill is not timetabled. The tradition dates back a long way and there is an important point to it. Be that as it may, we have a programme motion before us that is, as ever, extremely unsatisfactory. It simply says that by the moment of interruption we will conclude business on a large number of amendments. By my estimate, at least four major subjects ought to be debated today and it is quite possible that three of them will not be debated at all, because we will simply spend the next six hours or so debating the first major group of amendments on treaties and will not get to debate elections or the Lords—we may not even get to debate demonstrations in Parliament square.

Kelvin Hopkins (Luton, North) (Lab): I hope my hon. Friend will agree that it should be an advantage to have the Committee stage on the Floor of the House, rather than in Committee, yet we are at a disadvantage because of the limitation of time.

Jeremy Corbyn: My hon. Friend makes a valid point. The advantage of holding the Committee stage on the Floor of the House is that everyone should be able to contribute, but the reality is that hardly anyone will be able to contribute and, as I said, that very large areas of this Bill will probably not be debated at all. We go on with the business of the House by tabling increasingly tough programme motions on very long and complex Bills, to which a large number of amendments are introduced at late stages. That means that they are never examined by the elected Members of the Houses of Parliament. There is something deeply unsatisfactory about such an arrangement in any kind of democratic society. This issue has been raised before and it will doubtless be raised again. One would have hoped that in this era of an examination of the role of Parliament, and of its ability to hold the Executive to account and to introduce good legislation, the least we could do is give ourselves sufficient time to examine the details of a very important and serious piece of legislation properly. I appeal to the Minister to think again about this programme motion and at the very least guarantee sufficient time on each of the four major areas of debate that we are to discuss today.

Mr. Cash: Does the hon. Gentleman agree that, in this context, even the Wright Committee proposals appear to be being stalled? Does he agree that we need a radical reform programme and that the evidence that the Government are not interested in that is the way in which they are behaving with this Bill?

Jeremy Corbyn: I await with interest the proposals of the Wright Committee and I look forward to their being properly debated on the Floor of the House. The whole point that the Committee was trying to make was that Parliament has to bring itself into popular repute rather than bringing itself further into disrepute through such a cavalier approach to major pieces of legislation. In that sense, I agree with the hon. Gentleman's point and I hope that the Minister will understand that if we continue to get wrong the primary role of Parliament, which is to examine legislation and to hold Ministers to account, and that if we do not do that effectively, we will increasingly look irrelevant in a democratic society. That is quite an important issue and I hope that the Minister will treat it accordingly.

4.11 pm

Mr. David Heath (Somerton and Frome) (LD): The Government never cease to disappoint in the way they approach parliamentary business. They never cease to

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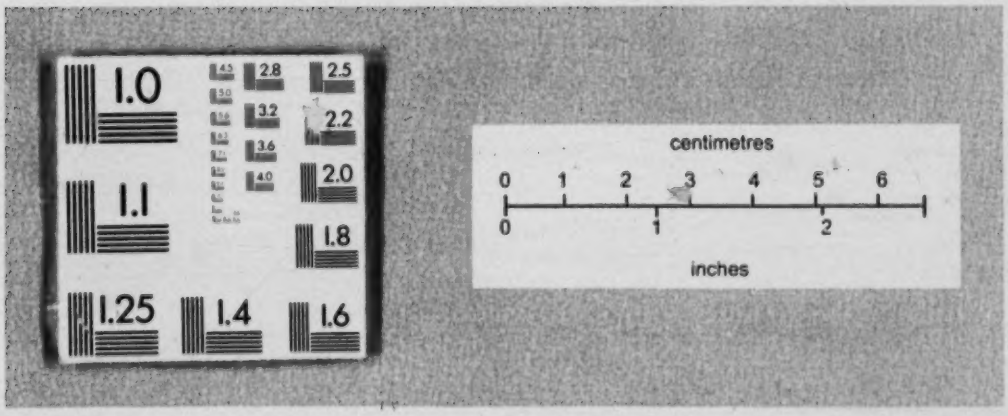

[Mr. David Heath]

let down those who hoped they would increase the accountability of the Executive to this House, as they said they would. They never cease to disappoint those who hope that eventually we will have proper debate of serious issues. They never cease to provide evidence, as the hon. Member for Stone (Mr. Cash) says, of the incapacity of the present system to allow this House to do its work properly and of the need for fundamental reform of the procedures of this House, of which the Wright Committee is but the very first step—yet we are denied the opportunity to debate it.

First, as the right hon. Member for Wokingham (Mr. Redwood) and the hon. Member for Islington, North (Jeremy Corbyn) have said, this is a constitutional Bill and there used to be a certain way we approached constitutional Bills. They were debated in a Committee of the whole House so that every Member of the House had the opportunity to have their say. The debate would be open-ended, again so that every Member who felt there was a proper point they wanted to raise on behalf of their constituents had the opportunity to do so. Today, the Minister is coming forward yet again with a programme motion and with internal knives to prevent and close down debate. That is simply not the way to do it.

Mr. Cash: I very much agree with what the hon. Gentleman is saying. When we talk about constitutional Bills, we are talking about who governs this country. It is this Parliament that is the forum in which that government takes place, and so it is essential to stick to the principle that we should give such Bills maximum time; otherwise, we are simply legislating in a vacuum and on a basis that does not allow people to decide whether they are being governed properly.

Mr. Heath: Precisely so. Instead of that, we have the assertion by the Minister that this timetable will allow sufficient time for matters to be debated. There is no evidence for that; he has simply decided and asserted that there is sufficient time. If he were right, the perverse thing is that there would be no need for the timetable motion. If he were right, we would conclude our business within the two days provided and there would be no need for the provisions that he is proposing in order to curtail debate.

Mr. Wills *rose—*

Mr. Heath: The Minister now wants to tell us why he is not right.

Mr. Wills: I want to be clear about the hon. Gentleman's position. The logical conclusion that we can draw from what he is saying is that every Member of this House will speak succinctly and pithily, make the points that he has to make in the minimum amount of time and then sit down. Is that what he is saying?

Mr. Heath: I am saying that every Member of this House has the right to express their opinion before this House in whatever way they feel is appropriate and to be listened to. The Government are asserting that Members do not have that right and that is where the difference lies between me and the right hon. Gentleman. Our position on this point is very important. So for the first reason—that this is a constitutional Bill, and precedent shows that it should not be divided as the Government propose—I will oppose the timetable motion.

Secondly, as the hon. Member for Islington, North said, there is a great deal of important business on the Order Paper today, and I fear that we will not reach some of it. It would be scandalous if provisions in such a Bill were passed to an unelected House without consideration by the elected House. Were that to be the case, noble Lords in another place would have every right not to make any attempt to expedite that business before Dissolution.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Of course, the hon. Gentleman would want to make the point that many of the new clauses relate directly to this Chamber, and it would be bizarre indeed if this Chamber did not discuss those matters, whereas the other place did.

Mr. Heath: That is absolutely right.

Mr. Grieve: Equally, there are some clauses that relate very much to the other place, which is why I raised with the Government my concern that this Parliament is running out of time for the proper scrutiny of such an important piece of constitutional legislation. It is time that the Government made the time available—the hon. Gentleman may agree with me—and provided some finality as to what we will be asked to consider.

Mr. Heath: I entirely agree. I fear that the point may already have been reached where the chances of significant parts of the Bill reaching the statute book are fast diminishing.

There is a very large amount of business to be transacted today and on the second day, although there is a small blurring at the edges. The last paragraph of the programme motion allows us, through the munificence of the Government, to proceed with the fourth day's business early, should we finish today's business early. But that is not the problem. The problem is the other way round—if we do not finish the business that is set down for debate today, we cannot proceed with it on another day. It will go through on the nod, undebated. That is what I find unacceptable.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Is it not important also that a Government in their dying days, who have lost the trust of the people and who have been seen to allow Parliament to lose its ability to scrutinise the Government, could do something to redeem themselves by at least allowing this Bill to be properly scrutinised?

Mr. Heath: I fear that the Government are irredeemable. I fear that they have gone past the point where they can ever lay claim to having a proper regard for the proprieties of the House and the way that it does its business. The Government prove that fact every day that we do business.

My third reason for opposing the programme motion is that we do not know what may yet be in the Bill—what amendments the Government may table to implement the Kelly proposals at present under discussion. We know that such amendments may be tabled. That will take further time and more days of debate. We need to know that those days will be available.

The hon. and learned Member for Beaconsfield (Mr. Grieve) mentioned the small matter of reform of our electoral system—a trifle to be considered in the odd five minutes that may be left at the end of the fourth day of debate. The Government promised that they may bring forward such provisions. That is the sort of promise that we get from the Government—that they may, or they may not. Perhaps the Minister will enlighten the House whether they propose to table amendments on that matter, when we might expect to see them and, more importantly, when we might expect to debate them.

I would expect a programme motion tabled today to have incorporated the Government's intentions, and discussions to have taken place with the Leader of the House. As the Minister correctly said, the Leader of the House intimated on Thursday that more days might be made available. I would expect to know, as we enter the third day in Committee, whether there will be one, two or three more days in Committee or as many days as are required to transact the business that the Government are putting before the House. For all those reasons, I will advise my right hon. and hon. Friends to oppose the programme motion.

4.19 pm

Mr. John Redwood (Wokingham) (Con): The Minister is quite shameless. I think he forgets that the Bill arises out of a piece of work called "The Governance of Britain" Green Paper and the subsequent White Paper. The Bill is meant to be an important part of the response to that work. One of the main points in that work was to have a new constitutional settlement that

"entrusts Parliament and the people with more power."

The Government said that they were going to reinvigorate our democracy, increase participation and review the right to protest. They said that they wanted to make people and their representatives feel that they were more involved in the process of government than they had been allowed to be in recent years under this miserable Administration.

With no hint of irony—I do not think he has that advanced a sense of humour—the Minister comes to us today and presumes to say how much time each clause or amendment will receive. This is a most important Bill, with many issues that right hon. and hon. Gentlemen and Ladies may wish to discuss, but the Minister is apparently all wise and all knowing. If we were to say that the Bill needed less or more time, he would claim either that we were being not thorough enough in the first instance or too loquacious in the second, and presume to mark us down accordingly.

Can the Minister not see that his approach is deeply offensive to the very principles of parliamentary Government? Can he not see that Parliament is adult enough to be able to decide how to distribute its words and actions over the quite long period of time that the Government have allowed for discussion of the Bill as a whole?

We are making a very simple point: it is that we, Parliament, should for once be able to decide how much of the time that the Minister has allotted to the Bill overall should be spent on x or y. What is the problem for the Government, other than possible embarrassment because they do not want us to go on too long talking about a subject that they are not very strong on or are a bit worried about?

However, I also wish to query the total amount of time being allowed. Any Government with a majority of course have a right to get their legislation.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): No they do not!

Mr. Redwood: No one denies that—

Mr. Shepherd: I do!

Mr. Redwood: If a Government have enough votes, and if it is the will of the large majority in the House, they should have the right to get their legislation. I am sure that my hon. Friend agrees with me really, but a Government should have to work for that right. They should not squash the minority too soon, too obviously, or in too peremptory a fashion. They should hear the minority out at decent length, answer the arguments and make their case.

Mr. Hogg: Does my right hon. Friend accept that one of the most disagreeable features of the argument that we have just heard from the junior Minister came when he said that he did not want to let people speak, lest they speak too long?

Mr. Redwood: Indeed. Who is the Minister to presume how long I or anyone else should speak?

Mr. Wills: With all respect to the right hon. Gentleman, he really ought to listen to what I said. That is not what I said. I ask him to look at *Hansard* tomorrow to see what I actually said, instead of misrepresenting me in that way.

Mr. Redwood: For the sake of the *Hansard* record, the Minister was referring to my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), and not to me. However, he forgot to mention the "and learned", and the *Hansard* writer could not see that he was looking at my right hon. and learned Friend rather than at me when he intervened on me. I am afraid that he has been discourteous to the House yet again in the way that he responded and used the intervention—*[Interruption.]* I am sorry, but I feel very strongly about this. The Minister is very discourteous to the House in not giving it the time it needs.

Mr. Wills: I would like to stand up and apologise to the right hon. Member for Wokingham (Mr. Redwood). I do apologise. I understand that there may have been a misconception that I was referring to him and not to the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg). I do apologise to the House, and wish to make it quite clear that I did not intend to be discourteous to the right hon. Gentleman. I hope that he understands that now.

Mr. Redwood: I think I said that the Minister was being discourteous to the House. I still believe that he is being discourteous to the House in the way he is handling this short debate and, more importantly, the bigger issue.

[Mr. Redwood]

I come back to the question of the overall timetable. If it turns out that the House needs more time overall to discuss this matter—and we do not know whether it will or will not—why can the Minister not grant it to us? We can go on after 10 o'clock tonight. What is the problem? Right hon. and hon. Members are not going to find it easy to get home after 10 o'clock anyway, so why can those who need to do so not stay on till midnight or 1 o'clock in the morning or whatever to see the business done?

I am not even saying that the Minister needs to delay the Bill's final exit from this place by another day or two. I am saying that he needs to give us more time, if that is what the House needs. If by any chance the House has finished this chunk of business by 9 o'clock in the evening, then he is very lucky and will have an early night. However, he should be prepared to put in the hours if he is going to take the salary. He should be prepared to put in the hours when an angry House is saying, "He is short-changing us. This is a constitutional Bill. These are important matters. We want our democracy back!"

4.24 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I understood, from the Minister's intervention on the hon. Member for Somerton and Frome (Mr. Heath), that there was a sense of incredulity in the right hon. Gentleman's inquiry. The hon. Member for Somerton and Frome had put forward the simple proposition that a constitutional Bill that is taken on the Floor of the House gives every Member an opportunity to speak, because this is, after all, the constitution of the United Kingdom that we are talking about. That sense of incredulity is what informs my response and, I think, those of my right hon. Friend the Member for Wokingham (Mr. Redwood) and my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), who are sitting on this Bench.

It is intolerable that a Minister, in a Government sinking so rapidly, should still assert that they are on the side of Parliament as they tighten the noose around Parliament's neck. It is hubris that brings forward a guillotine motion of this nature. We know that much of the Bill will not be discussed. This is a busted Parliament, and one reason is that the Executive have hollowed out from our responsibilities the very function of this House, which is to debate important matters—treaties, whatever they are—in this constitutional Bill. The very logic of the Minister's argument was to say quite simply, "We've determined what is necessary and appropriate for this House to debate."

Many Members will enter the Chamber for specific aspects of the debate, not necessarily for the whole of it. The programme motion takes no account of that, so why does the Bill have in its title the very word "governance"—the "Governance Bill"? The "Governance" of what? We have become nothing. I see tumbleweed blowing down this Chamber and out in Central Lobby. That is what the Government have reduced Parliament to. Do not think that it is not an Executive function—*[Interruption.]* However sweet the smile on the face, Ministers sit in arrogance, essentially, and the outcome is the same: "Thou shalt not speak unless we allow you to." Every guillotine motion that comes before the House is almost tailor-made—bespoke—and that is what we have again today.

The Minister accepts, if I understood his expressions correctly, that we may not reach some contentions in the Bill, and that they will not be debated. That seems to be an extraordinary proposition with which to begin a constitutional Bill, but that has been the difficulty with this Government since they came into office. They cannot discern the difference between the types of Bills, how they are born and how they should be considered. They have seized the Standing Orders of this House, and only the Minister may initiate debates and determine how they are conducted.

We will have a Division on this issue; the Government will march into the Lobby; and their own Back Benchers, who have not even been present for the debate, will be summoned by bells. But the bells are execution bells in the end. We are close to a general election, and the process of this Parliament is intolerable. Why should intelligent people come here to be neutered and held down? The Government do not even want to hear the expression of opinion on their own Back Benches, unless it is merely in support of themselves, so I shall willingly vote against this outrageous motion.

4.28 pm

Mr. William Cash (Stone) (Con): I am very glad to follow my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd), my right hon. Friend the Member for Wokingham (Mr. Redwood) and the hon. Member for Somerton and Frome (Mr. Heath); and I agree with them. To follow up my right hon. Friend's reference to the Green Paper, in a nutshell, we are now faced not with democracy, but with hypocrisy. The Government have made a series of statements, and I am amazed that the Minister can sit on the Front Bench, scribbling on his bits of paper, when he is responsible for the situation. It is a wanton act of hypocrisy to say something in a Green Paper and, subsequently, to demonstrate, in a constitutional Bill that should be taken on the Floor of the House in proper time, a denial of the very propositions that led to the Bill in the first place.

My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) also made some very important points. I recall his father saying, many years ago, that we were moving towards an elective dictatorship. We are not: now we actually have an elected disgrace. That is the problem with which we are faced. In an intervention I referred to the Wright Committee and the fact that nothing has been done about it, despite the fact that action is well overdue. If the business committee that the Wright Committee proposed were to be implemented, this situation could not occur, because the House would insist on proper consideration of the matters that we are about to discuss.

I very much agree with my hon. Friend the Member for Aldridge-Brownhills—he should be right honourable—regarding Standing Orders, on which I have spoken many times. In the early part of the last century, and before then, there was a great deal of discussion about whether Standing Orders should have been taken over by the Executive. That happened in the difficult days of the Irish troubles of the 1880s, when the Speaker's rules were taken over by the Executive with the agreement of those on the two Front Benches, and they have remained with them ever since.

I conclude by reference to a very important essay written by a former Clerk of this House—Sir Edward Fellowes—which was mentioned in Crick's analysis of the constitution. Crick said that at that moment, when the Executive took over the Standing Orders, this House went into decline, and that not until they are returned to the House of Commons will it be possible for it to regain its former sovereignty—a matter that no doubt we shall be discussing very shortly.

4.31 pm

Mr. Mike Hancock (Portsmouth, South) (LD): I think that the saddest thing about this short debate is the rather pathetic excuses that the Minister put forward for the internal knives in the guillotine to be implemented. There was no real substance to what he said, and no real justification for denying this House the ability to discuss some very important issues.

The Minister suggested to my hon. Friend the Member for Somerton and Frome (Mr. Heath) that if my hon. Friend could give an undertaking that Members would make brief and succinct speeches, then he, the Minister, might give the matter further consideration. It is an outrage for the Minister to suggest that he could decide these matters on the basis of the length and substance of Members' speeches. For Ministers to believe, with such arrogance, that they have that ability is an obscenity in itself, and to suggest that they can treat this House and its Members with that sort of contempt is beyond belief.

I urge Ministers to consider their position. On the fourth day, they will have an opportunity to extend the time available. There should not be a cut-off today because, as many right hon. and hon. Members have said, it is clear that a lot of the business before the House, which will be guillotined at the end of today's business, will not be properly discussed. How can we discuss the Wright report? We get it wrong by not even discussing it—that is nonsense.

Jeremy Corbyn: It has a good name.

Mr. Hancock: Yes, it has, as the right hon. Gentleman says.

Jeremy Corbyn: I am not right honourable.

Mr. Hancock: I said "the hon. Gentleman".

Mr. Heath: You said "right hon. Gentleman".

Mr. Hancock: Oh, did I? I stand corrected. Perhaps, like other Members, the hon. Gentleman deserves that title, just for sheer perseverance in this place.

The Minister should recognise the strength of feeling about this. I am sure that if more of his Back-Bench colleagues were here, they would be echoing the sentiments expressed in all parts of the House. When we are discussing the future governance of this country, we are entitled, at the end of that debate, to be justified in saying that all sides had adequate time to discuss the proposals and to listen to the arguments for and against them. For the Government to hide behind the screen of a gerrymandered guillotine that they have altered during the course of our debates shows that they must be frightened of discussing the substance of the arguments against their case. That is a pitiful state for any Government to be in. Surely, even at this late stage, they can recant and give this House the justice it deserves—a fair hearing on such important issues.

4.34 pm

Sammy Wilson (East Antrim) (DUP): When the Minister was intervened on by the right hon. Member for Wokingham (Mr. Redwood), he said that the right hon. Gentleman should know from his long experience in the House why the guillotine had to be used. However, in his short speech, and indeed in his refusal even to spell out his reasons to the right hon. Gentleman, the Minister indicated that there is not a good justification for a guillotine, especially given the nature of the Bill.

As a Member from Northern Ireland, for a long time before devolution I saw the effects of legislation that went through by Order in Council and was not properly scrutinised, which led to all kinds of problems. We can see the arrangements that we now have in the devolved Assembly in Stormont, which were made in a Bill that had to be pushed through quickly. Some scrutiny may have led to amendments that could have avoided some of the current difficulties with the working of devolved government. It is important that we have proper scrutiny of a Bill that has constitutional importance.

This process started with high ideals, but before we have even got through the whole parliamentary process those ideals have been torn up. The Green Paper stated that the Government were looking for

"a settlement that entrusts Parliament and the people with more power."

Yet we cannot even have a proper discussion about some of the issues in the Bill. The proposals in the Green Paper were made under headings with a high-sounding tone, such as "Limiting the powers of the executive", "Making the executive more accountable" and "Re-invigorating our democracy". What has all that come down to now that we are actually to debate the proposals? A guillotine that, as Members have indicated, will probably not even allow us to discuss a quarter of what we need to.

Mr. Redwood: Does the hon. Gentleman recall that the current Prime Minister, when newly elevated to that post, made a great point of saying he was going to strengthen Parliament because he believed it had been too weak under the previous Prime Minister, and asked Her Majesty to say that in the Gracious Speech at the start of the 2008-09 Session?

Sammy Wilson: Yes—yet another promise made during the discussions on the Bill has not been fulfilled. Indeed, it is a bit of an irony that we cannot even get a debate when the Green Paper described itself as the

"first step in a national conversation"

about the new arrangements. A national conversation? We cannot even get a proper parliamentary debate.

One has to ask oneself what the Minister is thinking of in introducing a guillotine of this nature if the Bill is to be the foundation of a constitutional reform. I think of the guillotines that there have been in the House in recent weeks. On the Equality Bill, we did not get through 20 per cent. of the amendments because a guillotine was imposed on the important measures in it. We will see the same thing happen today.

Mr. Cash: Does the hon. Gentleman acknowledge that the Minister, in referring to the requirement to be pithy and in using other such strange, vague expressions, effectively accuses Members of filibustering? The real question is proper debate—

The Minister for Europe (Chris Bryant): Quod erat demonstrandum.

Mr. Cash: The hon. Gentleman quotes a bit of Latin, but I do not think he really understands what he is talking about. He never does.

Mr. Deputy Speaker: Order. I am sure that the matter the hon. Gentleman raises can be looked after by the Chair perfectly satisfactorily.

Sammy Wilson: It will not just be members of the House who are disappointed by what has happened today. When a Joint Committee scrutinised the Bill, it commended the Government for

"taking these first steps towards its stated objective of making Government more accountable to Parliament."

Even when the Committee looked at the Bill, it believed it was getting something that we are not getting even in the debating of the Bill. The Committee indicated that

"the Government's approach to constitutional modernisation has been a rebalancing of power".

Those were the promises that were made and that was what we believed we were getting in the Bill, yet today we see that the end result is that the House has less opportunity for discussion and less say on the great changes that will be required.

Mr. Hogg: Actually, does it not go further than that? Many Members have tabled new clauses that go far outside the scope of the Bill as contemplated by the Government, but are none the less constitutional reforms of a very great kind. Those Members are being denied the opportunity even to ventilate those ideas.

Sammy Wilson: I take the right hon. and learned Gentleman's point. Far worse, of course, is the fact that Members will have little opportunity to debate, or even to prepare arguments against, Government amendments that we do not yet know about. My party will vote against the programme motion, because it does not reflect what the Government promised and it has not been justified in the debate so far. This issue is of such great importance that there ought to be a proper opportunity for debate in the Chamber.

4.41 pm

Mr. Wills: With permission, Mr. Deputy Speaker. Of course I agree with all the comments that have been made, and of course the House must have adequate time to scrutinise this legislation. However, listening to this debate—an interesting and revealing debate—one would think that the Government were allowing no time at all. I am very grateful to the hon. Member for East Antrim (Sammy Wilson), who at last mentioned one of the Committee scrutinies of the Bill. I have here the report of the Joint Committee on the Draft Constitutional Renewal Bill. The Bill was published in draft and reported on by that Committee, and it has also been reported on by the Public Administration Committee.

Mr. Cash: Will the Minister give way?

Mr. Wills: With great respect, I will not give way, because I want to make a few points while I have still got time, which is limited thanks to the programme motion—*[Laughter.]* I would be grateful if he let me continue.

The Bill has been scrutinised by the Joint Committee, the PAC and the Justice Committee. I have counted the number of Back Benchers in this House—

Mr. Cash: On a point of order, Mr. Deputy Speaker. Would you be kind enough to rule on whether, in the middle of debate on a constitutional Bill, it is right for a Minister to evoke procedures other than those that take place on the Floor of the House, where the Bill should be properly discussed, but which is blatantly not happening at the moment?

Mr. Deputy Speaker: The hon. Gentleman should know that that is not a point of order, but an attempt to further the debate. The Minister is now trying to reply to the very important matters raised by hon. Members in general.

Mr. Grieve *rose—*

Mr. Wills: If I may, I should like to respond to the previous intervention and to make a few points in response to all the other contributions in the debate—that is parliamentary debate, as I think hon. Members will recognise.

I can say in response to the hon. Member for Stone (Mr. Cash) that the Government published the Bill in draft. I do not remember his party ever doing any such thing when it was in government.

Mr. Grieve: I really cannot resist responding to the Minister's comment on the number of people in the Chamber. When is it going to dawn on him that the reason why the attendance in the Chamber is so low is that the Government, over a long period, have made a complete mockery of the procedures of this House, removing all possibility for debate?

Mr. Wills: I just say this to the hon. and learned Gentleman: there are important constitutional points here. Every day—

4.44 pm

Three quarters of an hour having elapsed since the commencement of proceedings on the motion, the Deputy Speaker put the Question (Standing Order No. 83A(9)).

The House divided: Ayes 290, Noes 235.

Division No. 43] **[4.44 pm**

AYES

Abbott, Ms Diane	Balls, rh Ed
Ainger, Nick	Banks, Gordon
Alexander, rh Mr. Douglas	Barlow, Ms Celia
Allen, Mr. Graham	Barron, rh Mr. Kevin
Anderson, Mr. David	Battle, rh John
Armstrong, rh Hilary	Bayley, Hugh
Atkins, Charlotte	Begg, Miss Anne
Austin, Mr. Ian	Bell, Sir Stuart
Austin, John	Benn, rh Hilary
Bailey, Mr. Adrian	Benton, Mr. Joe
Bain, Mr. William	Berry, Roger
Baird, Vera	Betts, Mr. Clive

Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Frank Roy and Lyn Brown

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman

Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorries, Nadine
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Opik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paterson, Mr. Owen
Penning, Mike
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Young, rh Sir George

Tellers for the Noes:
Jeremy Wright and James Duddridge

Question accordingly agreed to.

Constitutional Reform and Governance Bill

[Relevant documents: Report of the Joint Committee on the Draft Constitutional Renewal Bill, Session 2007-08, HC 551-I and–II, and the Government response, Cm 7690. Tenth Report from the Public Administration Select Committee, Session 2007-08, on Constitutional Renewal: Draft Bill and White Paper, HC 499, and the Government response, Cm 7688. Fourth Report from the Joint Committee on Human Rights, Session 2009-10, on Legislative Scrutiny: Constitutional Reform and Governance Bill; Video Recordings Bill, HC 249.]

[3RD ALLOCATED DAY]

Considered in Committee

[SIR ALAN HASELHURST *in the Chair*]

Clause 24

TREATIES TO BE LAID BEFORE PARLIAMENT BEFORE RATIFICATION

5 pm

Mr. Andrew Dismore (Hendon) (Lab): I beg to move amendment 114, page 12, line 38, leave out

'a copy of the treaty'

and insert—

'(i) a copy of the treaty and, at the same time,

(ii) an explanatory memorandum explaining the background to the treaty, the Minister's reasons for proposing to ratify it, and the reasons for any reservations or interpretative declarations that the Minister intends to enter on ratification,'.

May I draw Members' attention to the report on the Bill by my Committee, the Joint Committee on Human Rights? It was published yesterday as part of our scrutiny. The Minister of State, my right hon. Friend the Member for North Swindon (Mr. Wills), mentioned all the other Committees that have considered the Bill when he spoke on the programme motion, but omitted ours from the list.

The purpose of the amendment is to give effect to part of our report on scrutiny, and in particular to try to make the scrutiny of treaties rather more effective. The new statutory procedure for the ratification of treaties is based on the Ponsonby rule. The treaty has to be laid before Parliament for a period of 21 sitting days. As a human rights Committee, our Committee has a particular interest in scrutinising international treaties prior to ratification. The problem of a lack of effective parliamentary scrutiny is particularly pressing for human rights treaties, as it is well established that UK courts will have regard to such treaties in a wide range of circumstances, regardless of whether they have been incorporated into UK law.

If a statute is capable of bearing two interpretations, the courts will presume that Parliament intended to legislate in conformity with the convention, and not in conflict with it. If the common law is uncertain, unclear or incomplete, the courts will rule, wherever possible, in a manner that conforms with the treaty. When the courts are called on to construe a domestic statute enacted to fulfil an obligation under a treaty, the courts will ordinarily assume that the treaty was intended to be effective to that end. Where the courts have a discretion to exercise—where they can act in one way or another—they seek to act in a way that does not violate treaties that we have signed. When, as sometimes happened, the courts are called on to decide what, in a given situation, public policy demands, it is held to be legitimate that we should have regard to our international obligations.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I have a great deal of sympathy with what the hon. Gentleman proposes in his amendment. The one thing that puzzles me is why he has not also suggested that a memorandum should explain the consequences and effects of a treaty, because very often the draft of a treaty is rather opaque and quite difficult to understand. Might I suggest that he reflects on that? His colleagues in another place could perhaps carry forward that suggestion.

Mr. Dismore: I am grateful to the right hon. and learned Gentleman for his intervention. I shall say a little more about the nature of the amendment shortly, and I shall try to address his point when I do so.

Given the significant status that international human rights treaties have attained in our domestic legal system, I certainly believe that Parliament must be much more involved in scrutinising treaties that incur human rights obligations on our behalf. In the current Parliament, my Committee has reported on one major human rights treaty prior to ratification: the UN convention on the rights of persons with disabilities. We have also reported on treaties that, while not strictly speaking human rights treaties, have human rights implications, including the Council of Europe convention on the prevention of terrorism and, in a manner of speaking, the UK-Libya prisoner transfer agreement, to which I shall refer shortly.

When we looked at the UN convention on the rights of persons with disabilities—a major UN treaty—we conducted a detailed inquiry into the reservations and interpretive declarations put forward by the Government. We had a number of submissions from interested individuals and organisations, and oral evidence from the relevant Minister, whom we were able to question, both through correspondence and directly, on the background to those reservations. Indeed, they were somewhat modified, I think, as a result of our efforts. The report was subsequently debated in the other place.

By contrast, we were not able to report properly on the Libya treaty, as time was not made available to enable us to do so. That treaty of all treaties should have been properly examined. At the time, it had implications for the case of al-Megrahi, the Libyan who had been imprisoned in Scotland in connection with the Lockerbie bombing. In fact, his removal to Libya did not ultimately take place under the transfer treaty, but when the treaty was under consideration, that was very much an active consideration. However, we were not able to scrutinise the matter properly because we were not given the time to do so. When we come to the relevant clause later today, I hope to say a little more about the problems that we experienced. Overall, however, the principle behind the Government's proposals is welcome, in light of our experience.

[Mr. Dismore]

On explanatory memorandums, under the new statutory regime a copy of the treaty has to be laid before Parliament. Although it is the Government's practice to lay an explanatory memorandum before Parliament, that is not provided for in the Bill. I believe that the key to effective parliamentary scrutiny is the timely provision of fully reasoned explanations and justifications by the Government—a point that the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) just made. The explanatory memorandums that we have seen, generally speaking, do provide that. That, I suspect, is why we did not specify that they should do so in the amendment.

However, we are surprised that the Bill does not reflect current practice under the Ponsonby rule by requiring an explanatory memorandum to be laid before Parliament at the same time as the treaty, in order to facilitate scrutiny within the 21-day period. We asked the Government whether they would turn the practice into a requirement, but they say that they do not consider it necessary to do so. However, I would suggest that it is in the Government's interests to explain their reasons to Parliament at the earliest possible opportunity. The Government say that they intend to continue their practice of laying such memorandums before Parliament, and of course we welcome that assurance, but it is not the same as having an express requirement in the Bill, which is what my amendment would achieve.

We also asked the Government whether they would undertake to notify the relevant Select Committees when a treaty had been agreed. That was in response to an undertaking that they gave to the Procedure Committee that copies of all treaties laid before Parliament would be sent to the relevant Select Committees at the same time. This is important, because we do not have the resources systematically to monitor the laying of treaties before Parliament, and we have only 21 days in which to do our job of scrutinising them. Any time lost might therefore prevent a treaty from being scrutinised at all. That was one of the problems that we had with the prisoner transfer treaty with Libya.

Even with an undertaking to notify the Select Committees, however, there have been delays between the laying of a treaty and their being drawn to our attention. The Libyan treaty is an example. We learned that that treaty had been laid only some way into the 21-day period. I hope that the Government will consider laying these explanatory memorandums and reinforcing their undertaking to notify Select Committees when a treaty has been laid, to enable us to do our job effectively and properly, and inform Parliament as a consequence.

The Temporary Chairman (Sir Nicholas Winterton): I call Mr. Crispin Blunt.

Mr. Dominic Grieve (Beaconsfield) (Con) *rose—*

The Temporary Chairman: I apologise to the hon. and learned Gentleman for that inadvertent mistake.

Mr. Grieve: No apology is required, Sir Nicholas.

The hon. Member for Hendon (Mr. Dismore) has tabled an extremely sensible amendment, and I very much hope that the Government will be able to respond to his proposal in a positive way. It is clearly innocuous in its implications for the legal framework of the legislation, and it would be immeasurably helpful to Members when they come to consider treaties. The point raised by my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) was also well made. Treaties are often very difficult to understand.

The House has a long tradition of issuing explanatory memorandums when various documents come out—particularly statutory instruments and sometimes Bills. At times those explanatory memorandums have not been very explanatory at all. In fairness to the Government, however, they have now noted the concerns that have been expressed, and my impression is that the documents are now marginally better.

There is really no excuse for not adopting this proposal. If the House is to have informed debate, an explanatory memorandum is absolutely essential. I noticed a slight nodding of the Minister's head, and I hope that it will be possible for the Government to accept the proposal. If they are unhappy about the minutiae of the drafting, perhaps the measure could be incorporated on Report—I think there is going to have to be a Report stage—or when it goes to the other place. I rather suspect that the hon. Member for Hendon does not intend to press this matter to a vote. If he were to do so, he would have our support, but I shall not encourage him to cause the Minister that amount of distress—at least, not yet.

Mr. Hogg: I should like to endorse what has been said by the hon. Member for Hendon (Mr. Dismore) and my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve). The provision would make a real improvement. It is often very difficult for Members of the House—and, indeed, members of the public—fully to comprehend the reasons for and, more often, the terms of a treaty. I can see no disadvantage in adopting the process. It would be part of the process of transparency that we are all seeking to achieve, and I would very much welcome it if the Minister made it plain that he were sympathetic to the purpose of the amendment. If he were unable to accept this drafting of it, perhaps he would consider a further draft that could be tabled in another place. If the matter were put to the vote, it would have my strong support. It would represent a positive improvement, and I commend it to the House.

David Howarth (Cambridge) (LD): I also hope that the Government will respond positively to amendment 114. As I understand it—I think the hon. Member for Hendon (Mr. Dismore) mentioned this in his speech—the provision to Parliament of an explanatory memorandum alongside a treaty has been established practice since the final years of the previous Conservative Government. In addition, during the time of the present Government, it became established practice for explanatory memorandums to be sent to Select Committees, or their Chairs if Parliament is not sitting.

There is no extra burden on the Foreign and Commonwealth Office in having to undertake that; it should already be doing it. The only reluctance on the Government's part seems to be about placing such an obligation in the Bill. The intention of this part of the Bill—at least, the Government's announced intention—is precisely that procedures for dealing with treaties become a matter of statute rather than of prerogative and practice, so it is entirely consistent that that be reflected directly, and it should be required.

Mr. William Cash (Stone) (Con): I agree with the sentiments of the amendment, but I have a slight problem with the timing. Where the amendment states that there should be

"a copy of the treaty and, at the same time... an explanatory memorandum",

I would raise the issue of ratification, to which I shall return later. Ratification means different things in different constitutions. If ratification takes place after the legislation has gone through and the expression "at the same time" has not enabled the explanatory memorandum to be provided before the discussion in Parliament of the treaty and, where necessary, the legislation arising from it—this is a technical issue, but an important one—the information in the explanatory memorandum would not necessarily be available at the right time to enable people to consider whether the treaty should be ratified or whether any subsequent legislation should be passed.

This is not a difference of principle, but a matter of chronology and timing. I want the explanatory memorandum to have maximum value well before the ratification. I have tabled certain amendments, which I shall deal with indirectly, relating to whether both ratification and signature are necessary to ensuring a proper analysis of the consent required by Parliament to the proposals in a given treaty. Signature is important, but ratification could—and given the UK experience of dualism, it probably would—take place later. For reasons I have explained, more attention needs to be given to the words "at the same time". I believe that "when the proposal first comes forward" would better ensure that we get the chronology right.

Mr. John Redwood (Wokingham) (Con): I welcome the amendment and I hope that it is pressed to a Division, because it is a modest and necessary improvement to legislation that falls a long way short of the stated intentions. Most Members welcome the idea that the former prerogative powers to make treaties should be properly scrutinised and then approved or rejected by this House.

In practice, before reform began, important treaties did need this House's consent, and where treaties entailed legislation, the House's consent to that certainly was required, so it would be a foolish Government who had not ensured that a treaty had our support before they signed it and ventured forward with legislation. I welcome any strengthening of the clear right and duty of this House to scrutinise and approve or reject treaties.

That is meant to be the Government's aim, yet the Bill strongly defends the prerogative power, and in a quite extraordinary way. The Government wish clause 24 to say that

"the treaty has been published in a way that a Minister of the Crown thinks appropriate"—

so not even the collective judgment of the Government will be required. A Minister can therefore think, under his delegated authority, that a treaty is appropriate, and then tell the House what to do. If the Government have any intention of letting Parliament in on the precious business of governance, they must see that that is nonsense, and that it must, of course, be the other way round. The House must be able to decide how the Minister will report to it and what documents are appropriate for the House's consideration, and if the Minister thinks documents are appropriate that are inappropriate, inadequate, flimsy or imperfect, or not impartial or sensibly written, I would hope that the House told the Minister so in no uncertain terms. What is the objection to the amendment, which puts this measure right by making things a bit clearer to Ministers and giving them sensible guidance?

5.15 pm

Mr. Cash: My right hon. Friend has just used the word "appropriate". I have been looking for it in clause 24, but I think he might instead have been referring to whether in "the opinion of" the Minister a treaty should be ratified. On the basis that that is, indeed, the case, may I just mention a special legal significance? A reference to "the opinion of" the Minister serves as a message to the courts not to interfere with the judgment of the Minister. I want to talk about that later. It is extremely important, because it can take the teeth out of what we are seeking to achieve through our amendments. We want to ensure that Parliament makes the decision, not that it is the opinion of the Minister.

Mr. Redwood: My hon. Friend is slightly ahead of my argument. In the measure that I am discussing "opinion" is not used. It says that

"the treaty has been published in a way that a Minister of the Crown thinks appropriate".

That is very weak and weasely language, and the hon. Member for Hendon (Mr. Dismore) is wise to say that it needs strengthening—supplanting, even—in order to be much clearer in respect of the Minister.

My hon. Friend probably had in mind clause 26(1), where none of this need apply because, apparently,

"if a Minister of the Crown is of the opinion that...the treaty should be ratified without the requirements of that section having been met",

the Minister can come to such an opinion, and then, as my hon. Friend says, the special language is a warning to the courts.

We therefore have weakness upon weakness from Parliament's point of view. Ministers envisage that some treaties will not be subject to its approval at all, because they are of the opinion that such treaties are none of Parliament's business. They also hope that other treaties will be rushed through without Parliament expressing an opinion because the timetable is very tight for it to debate and be involved in the ratification process. Even for treaties that go the distance under the Minister's view—those that the hon. Member for Hendon seeks to influence—we have weasel words so that reporting to the House can be anything the Minister likes and may not be very much.

The Minister for Europe (Chris Bryant) *indicated dissent.*

Mr. Redwood: I am delighted to see the Minister shaking his head. I am sure that that means that he will want to accept the amendment because its proposals offer an innocent and modest improvement.

Sammy Wilson (East Antrim) (DUP): In the consultation and the Government paper on the governance of Britain, one recommendation was to put the Ponsonby proposals on a formal basis. That would have included the Government explanatory memorandum, which provides information about the contents of the treaty along with the Government's view of the benefits and burdens of the treaty. If that was what was originally envisaged,

[Sammy Wilson]

why is it not reflected in the Bill? Is this not another example of the original proposals being short-changed by this Bill?

Mr. Redwood: The hon. Gentleman is exactly right: we do seem to be short-changed in this respect. Again, it comes down to Ministers not living the brand. They say they are bringing forward such proposals in the spirit of openness and in an attempt to strengthen the rights of parliamentarians, and therefore the people whom we represent, to some control or ability to debate such matters intelligently, but in order for Parliament to debate it, it first needs to be made more unequivocal that it is our right and duty so to do.

Secondly, as the hon. Member for Hendon says, we need to be assured that the Minister will produce reasonable information, written in sensible English that we and our constituents can understand, so that we can have an intelligent debate about it before it is scrambled through in a hurry, only for us to repent at leisure as the years go by and we discover what the complex legal language of the treaty really meant and that it had not been properly explained or debated at the time.

Any self-respecting Government who believed in openness, who believed in signing only the treaties that were in the nation's interest and who were proud of the treaties that they wished to sign would see nothing wrong with the hon. Gentleman's proposal and with some of the points that I am making about strengthening the scrutiny and the rights of Parliament. If the Minister cannot give any ground on this issue, that proves, once again, that the Government are not serious about having a stronger Parliament.

Chris Bryant: Sir Nicholas, it is a great pleasure to serve under your chairmanship.

The reason why I was shaking my head at the right hon. Member for Wokingham (Mr. Redwood), who knows that I have a great deal of fondness for him, was that in this particular regard he is wrong. He is wrong in two respects. The first is that the amendment would not remove any of the wording to which he was referring, about what

"a Minister of the Crown thinks appropriate".

The amendment would not amend that element of the clause at all; it would simply add to what is published, by providing that there should be not only a copy of the treaty but an explanatory memorandum.

Mr. Redwood: But then, of course, the amendment would modify the discretion of that Minister, because it specifies things that he would have to do, whether or not he was of that wish.

Chris Bryant: The right hon. Gentleman said in his speech that the amendment would remove the language about the Minister of Crown thinking something "appropriate"—but it would not. That language would still stand even if the amendment were made.

Mr. Redwood: The amendment would modify the language; it would no longer mean what it means at the moment, because the amendment would add a list of factors on which the Minister would not have the discretion that the Bill describes.

Chris Bryant: Ever since this Government came to power we have always published explanatory memorandums, and we have every intention of continuing to do so. We publish them in relation not only to treaties but to a wide range of other documents that we publish, and that is the right thing to do. The hon. and learned Member for Beaconsfield (Mr. Grieve) rightly said that sometimes the explanatory memorandums are not exactly very explanatory. Indeed, sometimes a greater cloud of unknowing than before descends on one after reading the explanatory memorandum. However, there is a technical difficulty with explanatory memorandums, which is that if we enter into too much explanation, we are to some extent extemporising on the text itself, and the danger is that we are then entering into a further level of debate, rather than explaining in legal terms what the treaty does.

Sammy Wilson: I accept what the Minister is saying about memorandums being published at the moment, but if that is so, why is there any reluctance on his part to include in the Bill the requirement to publish memorandums in all cases? That would take away any opportunity that cynics might have to say, "Yes, that's what's usually done." The Bill gives a Minister the opportunity not to publish a memorandum, because he can decide to publish the details in whichever way he "thinks appropriate". By accepting the amendment, the Minister would be accepting that there is no option but for a treaty to be handled in this way, and he would not be leaving any discretion for a future Minister.

Chris Bryant: The hon. Gentleman seems quite angry about this issue. He says that I am opposed to this idea, but I am not—I am wholly in favour of publishing explanatory memorandums that are explanatory. My only hesitation is about whether that should be specified in a Bill, because of the simple fact that we publish explanatory memoranda on a great deal of things. I realise that I am wandering between using "memorandums" and "memoranda". I have already been accused today of not speaking Latin, so I want to be careful. I cannot remember whether this is a gerund or a gerundive. I believe it is a gerundive. *[Interruption.]* Is it a gerund? *[Interruption.]*

Anyway, the point that I was trying to make before I interrupted myself was that because we publish explanatory memorandums in many other areas, not just in relation to treaties, it would seem to make sense that if we were going to do so, that should be for the House to decide as a matter of House business, not a matter for the Government to decide and to put in statute.

Mr. Hogg: The Minister was expressing an anxiety that too much detail in an explanatory memorandum reopens the question and tends to enlarge the debate. Of course he will know that explanatory memoranda on Bills—I have one in front of me on the Crime and Security Bill—say in terms that they are strictly to "help inform debate" and do not in fact form part of the Bill. An explanatory memorandum on a treaty could be couched in similar language and would not, therefore, run the risk that clearly troubles the Minister.

Chris Bryant: The right hon. and learned Gentleman is absolutely right. I think that we have steered the right course, and I am grateful to him for his helpful contribution.

Mr. Cash: On the question of the Ponsonby rule, it is, as the Minister says, frequently—invariably, in fact—the case that a short explanatory memorandum is made available to go with the deposit under the Ponsonby rule. However, he knows that since 2000 there has been an extension of the arrangements with respect to certain departmental Select Committees, the consequence of which is that the treaty is referred to the relevant Committee, too. Obviously, an explanatory memorandum would have to be made available with adequate information at that point in time. I think that I am largely agreeing with some of the things that the Minister is saying. There is a pattern of behaviour, but for the reasons that I gave earlier, it is essential that this measure should not be tied exclusively to the normal time of ratification, which comes at the end of the process in English constitutional law. We really need to ensure that we have the explanatory memorandum available at the time when it can be most and best used.

Chris Bryant *indicated assent.*

Mr. Cash: I am glad that the Minister is nodding his head; it is most unusual for us to agree. It is important to get the chronology right and to make the most of the important point that the hon. Member for Hendon (Mr. Dismore) is making.

The Temporary Chairman: Order. Using my discretion, I am allowing rather lengthy interventions that appear to me to be almost speeches. I am doing so because of the complication of this matter and the need for total clarification.

Chris Bryant: I am glad that you have done so, Sir Nicholas, because I wholeheartedly agreed with what the hon. Member for Stone (Mr. Cash) just said. That is the first time that he and I have ever agreed.

Mr. Dismore: I have two points for my hon. Friend. He says that there is a risk of too much detail being given, but the phrasing of the amendment does not give rise to that risk. It simply requires the background to the treaty, the reasons why we should ratify it and, most importantly, the reasons for any reservations or interpretative declarations, if there are any, to be published. That is particularly important, as we saw when we considered the convention on the rights of persons with disabilities. My hon. Friend asked why a requirement for an explanatory memorandum should be laid down in statute in this case but not in others. The short answer is: the time limit. There is a clear time limit of 21 days under the Ponsonby rule, which does not apply in the other circumstances in which explanatory memorandums are published, such as those for Bills.

Chris Bryant: No, that is not true. I am grateful to my hon. Friend—and incidentally, I am glad that he has tabled this amendment, because this is one of the significant issues in trying to ensure that we scrutinise treaties better. That is not only our aim but our determination. Other elements of the legislative process, too, are subject to time limits, and their explanatory memorandums are not required in statute. My sole objection is to writing the procedure into the Bill.

I want to respond to the point made by the right hon. Member for Wokingham (Mr. Redwood) that some treaties would be brought forward and some would not. That is not true. Arthur Ponsonby, when he was Under-Secretary of State in 1924, said:

> "It is the intention of His Majesty's Government to lay on the Table of both Houses of Parliament every Treaty, when signed, for a period of 21 days, after which the treaty will be ratified and published and circulated in the Treaty Series."—[*Official Report* 1 April 1924; Vol. 171, c. 2003.]

We are not resiling from that one jot. It was a Labour member of the Foreign Office team who introduced that in 1924. When the Conservatives came to power subsequently they got rid of the Ponsonby rule, and it took a Labour Government to reinstate it afterwards.

5.30 pm

Mr. Heath: The explanatory memorandum is obviously of value. However, what is essential—I think this is the point that was made by the hon. Member for Hendon (Mr. Dismore)—is to see the reservations or interpretive declarations that the Minister intends to enter on ratification. Without that, the House cannot form an opinion on the value of the Bill.

The Minister is not entirely right to say that this is a House matter. The House cannot require Ministers to lay anything before us, except as provided in statute. It is therefore important that if the procedure is to be put into statute, it should be laid out fully on the face of the Bill.

Chris Bryant: In the public consultation before the publication of the draft Bill, that was one of the aspects on which we expressly invited comment. We referred to the fact that the present practice of laying an explanatory memorandum with the treaty exists. There were very few comments on that, and it did not seem to be a major matter of contention. That is probably because everybody accepts that this is such a settled practice that nobody would resile from it. The only point of difference between us is whether it should be specified in the Bill.

Mr. Hogg: As I understood the Minister's anxiety, it was something like this: it is odd to impose a requirement with regard to treaties yet not to put into a Bill a requirement as regards other Bills. Surely the answer to that objection is as follows: this Bill sets out a procedure for treaties, and therefore gives us an opportunity to deal with procedure governing all treaties. If we had a Bill that dealt with Bills—for example, an interpretation of statute Bill—that would provide an opportunity to set out our desired procedures for all Bills. We now have the opportunity to regulate the procedure regarding treaties, and surely we should take it.

Chris Bryant: I can see the argument that the right hon. and learned Gentleman is making. I do not feel particularly strongly about the issue, I must say. I welcomed the fact that my hon. Friend the Member for Hendon tabled the amendment, but my judgment still leads me to the impression that it would be a mistake for the requirement to be written into the Bill, and therefore for the requirement to be in statute in relation to treaties, but not in relation to any of the other business that we do. Consequently, I urge my hon. Friend to withdraw his amendment. The issue is not necessarily closed in the Government's mind.

Mr. Dismore: I am pleased that my hon. Friend says that the issue is not closed in the Government's mind. Although I do not plan to press the amendment to a

[Mr. Dismore]

Division today, my colleagues on the Joint Committee in the other place may well bring it back. One of the advantages of the Joint Committee is that we can operate a double act between the two Houses to follow up issues raised in one House or the other.

I am pleased that the Government have given an assurance that they will continue with the process of laying explanatory memorandums, but as my hon. Friend indicated in his response, it does not follow that a future Government would do the same. He mentioned that the Ponsonby rule was introduced under a Labour Government—very good. It was, in effect, abolished by the Conservative Government. It was a convention, not in statute.

Once the rule is in statute, it would be difficult for a future Government of whatever hue to repeal it. They would have to come to the House to do that, whereas they did not have to do so to break with a convention. There is nothing to stop a future Government saying, "We will continue with the statutory duty to lay the treaty, but not the duty—because it is not a duty, just a convention—to lay an explanatory memorandum." This matter is important because of the timetable. This Bill proposes a very strict timetable, and we will debate later the provisions for its extension—or, as a mirror image of that, its removal. The point is that very few of the things that we do here are subject to such a tight timetable.

I mentioned earlier the problems that we had with the Libya prisoner transfer treaty, when we did not have the material in time to produce a report at all. We were able to publish only the exchange over the reasons why the treaty was not going to be extended, so this is quite an important issue.

I should also like to take further the question that I raised in my earlier intervention on the Minister. He suggested that the amendment required too much detail, but it does not require any more detail than the present arrangements. It is up to the Government to say what should or should not go into the explanatory memorandum.

There are three basic requirements in the amendment. The first two are that the explanatory memorandum should set out the background to a treaty and why it should be ratified, and I do not see the difficulty with either of those. However, the most important requirement in the amendment is its proposal that the explanatory memorandum should set out the reasons for any interpretive declarations or reservations. That is because until we see the explanatory memorandum, we cannot know what the Government may be proposing in relation to reservations. Only when we see the explanatory memorandum can we be aware of what they are proposing in that regard, or even whether there will be any reservations.

Mr. Heath: Does the hon. Gentleman agree that this is where the treaty process differs from the Bill process? The ratification of a Bill effectively happens when Her Majesty the Queen gives it Royal Assent. She very rarely writes reservations or declaratory statements in the margins of a Bill.

Mr. Dismore: The hon. Gentleman makes an interesting point, although I am not sure that I should extend his analogy to the modest proposal that I am making here.

Chris Bryant: My hon. Friend should not take too much advice from the Liberal Democrats, as the ratification of a treaty does not take place when Her Majesty signifies assent—

Mr. Heath: That is not what I said.

Chris Bryant: In which case, I misheard the hon. Gentleman.

Mr. Dismore: I think that the hon. Member for Somerton and Frome (Mr. Heath) said that the equivalent of ratification for a Bill happens when Her Majesty gives it Royal Assent. To that extent, he is right: a Bill becomes law only when it has been ratified by the Queen through Royal Assent, but as far as I am aware she does not enter reservations or interpretive declarations on Bills passed by Parliament.

There is a difference here. If Parliament is to discuss these matters properly, it needs to know at the very earliest opportunity whether there are going to be reservations or interpretive declarations. The best object lesson in that regard was the treaty that I mentioned earlier, the UN convention on the rights of people with disabilities. We had to do an awful lot of work on the issues involved in that, but it was only when we saw the explanatory memorandum that we knew that there were problems in the first place. Without an explanatory memorandum, the House, or a Select Committee, could discuss a matter in the abstract without knowing what problems could arise. That would be a waste of time.

I hope that my hon. Friend the Minister will think again on this amendment. I am pretty sure that my colleagues on the Committee in the other place will bring it back, so he will have time to think about it.

Mr. Cash: Does the hon. Gentleman accept that the amendment could include another type of reservation—one that covers the ratification of European treaties? Many of us consider a reservation requiring a referendum to be held to ensure that a matter such as the Lisbon treaty would have been properly discussed by the British people to be absolutely crucial.

Mr. Dismore: The hon. Gentleman wants to take me down a rather different byway. His own amendments will be debated soon, so I shall hold my tongue on the point that he raises, as I think that it is something of a distraction from what we are trying to achieve with the amendment before us. As I said, I do not propose to press that amendment to a Division, so I beg to ask leave to withdraw it.

Amendment, by leave, withdrawn.

David Howarth: I beg to move amendment 1, page 12, leave out lines 41 and 42 and insert—

> '(c) both Houses of Parliament have resolved that the treaty should be ratified.'.

The Temporary Chairman: With this it will be convenient to discuss the following:

Amendment 2, page 13, line 1, leave out subsection (2).

Amendment 3, page 13, line 3, leave out subsection (3).

Amendment 4, page 13, line 5, leave out subsection (4).

Amendment 5, page 13, line 11, leave out subsection (5).

Amendment 6, page 13, line 13, leave out subsection (6).

Amendment 7, page 13, leave out lines 15 to 20 and insert—

'(7) Where the House of Commons has resolved that a treaty should be ratified but the House of Lords has not so resolved, and a period of 21 sitting days has elapsed since the House of Commons resolved that the treaty should be ratified, any member of the House of Commons may move that the treaty should be ratified despite the failure of the House of Lords so to resolve, and if such a resolution is carried by the House of Commons, the House of Lords shall be deemed for the purposes of subsection (1)(c) to have resolved that the treaty should be ratified.

(8) The preceding subsection does not apply where the House of Lords has resolved that the treaty should not be ratified (but defeat of a motion in favour of ratification does not count by itself as a resolution that the treaty should not be ratified).

Amendment 8, in clause 25, page 13, line 23, leave out

'the period mentioned in section 24 (1) (c)'

and insert

'the period of 21 days mentioned in section 24 (the period after which the House of Commons may pass a motion the effect of which is to deem that the House of Lords has resolved that the treaty should be ratified)'.

Clause 24 stand part.

The fact that we are having a stand part debate on clause 24 means that any Member can raise any issue relating to that clause.

David Howarth: We come to the main issue, which is about the way in which the Government have chosen to attempt to fulfil their promise, in "The Governance of Britain" Green Paper, to shift power towards the House and away from themselves. I fear that in clause 24, they have failed to do so.

There cannot be many countries where the power to ratify a treaty rests solely with the Executive branch—with the Government. There is, as the hon. Member for Stone (Mr. Cash) said, a safeguard, which the courts created—the so-called dualist theory of international law, whereby the ratification of a treaty by the Government does not by itself change the domestic law of this country. But it is still a thoroughly bad thing that the Government can, by themselves, bind this country in international law and then come to the House and say, "If you don't incorporate the international obligations that we have just made into domestic law, this country will be in breach of international law."

Mr. Hogg: A very good example of that is the treaty that the Government entered into with the United States regarding the extradition of UK subjects to the United States.

David Howarth: That is an excellent example. The relevant Secretary of State—I believe that it was the Home Secretary at the time—went to Washington and negotiated a treaty without any reference to this House, and then they put this House in the position whereby, if it had not acceded to the Government's wishes on how to implement that treaty in domestic law, this country would have been in violation of its international obligations to the United States.

Mr. Cash: The hon. Gentleman said that he would be surprised if many other countries took the dualist approach, but he will find that it applies to almost all, if not all, former colonies of the United Kingdom—with the prime exception, as it happens, of the United States of America.

David Howarth: Yes, it does not apply in the United States of America, and that is because of the explicit terms of its constitution. I think that article 6 incorporates treaties into domestic US law, and that is why the Senate's consent is required to ratify treaties. The US has brought the two legal systems together as we have not.

Mr. Cash: We have our rather exclusive arrangement precisely because of the struggles, which this House itself represents, in the 17th century regarding Charles I, the constitutional settlements that followed the king's execution and the specific constitutional arrangement that we came to. That led to our modern democracy.

David Howarth: The hon. Gentleman is right, but I still think that there is unfinished business from that time. The idea that the Government, representing the Crown, have such fundamental and exclusive power over the foreign relations of this country is incompatible with the democratic form of government. That is why this clause is so important. It is about, or ought to be about, putting that situation right.

Chris Bryant: I am sure that the hon. Gentleman is right, although I think that there are a large number of countries—in particular, those with presidential systems—where it is entirely for the Executive to decide such matters, including, for instance, matters of military conflict.

On treaties, however, the hon. Gentleman referred to the UK-US extradition treaty. It was signed on 31 March 2003, published and laid with an explanatory memorandum on 21 May, and the Ponsonby period ended on 30 June. There were no requests for debate at that time, and no requests for an extension of time.

David Howarth: I shall not anticipate my speech, but that illustrates why there ought to be an affirmative procedure, rather than a negative procedure. The negative procedure depends on the Opposition, or Government Back Benchers, noticing what is going on; with an affirmative procedure, the Government would be duty-bound to come to the House to explain what they had done. As they are in a far better position than the Opposition to know what they have done, that appears to be the right procedure.

As the Minister just illustrated, the current rules—the Ponsonby rules—are a compromise between this House having real power and the Government having all the power. However, that is only a convention, and a grace and favour convention at that; the Minister mentioned that some Governments have not recognised it. It is entirely unsatisfactory, constitutionally, for this situation to continue. There have been numerous calls for reform—I need not go through them all. The Public Administration Committee even produced a draft Bill, drafted by Rodney Brazier, which the Government rejected, seemingly on the grounds that it would mean that Ministers would have to do more work, which does not appear to be a constitutional principle.

5.45 pm

Then we arrive at the White Paper of 2007, "The Governance of Britain", in which—this was the new Prime Minister's first great act as Prime Minister—the Government said that, contrary to their previous position, they would now move towards bringing into statute at least the conventions that we currently have, and promised to shift the balance between Parliament and the Government. However, the way in which clause 24 has been drafted means that it is hardly worth having. The Minister noted that part of the convention is that if an Opposition party—the main Opposition party or the third party—requests a debate and a vote on a treaty within a 21-day-period, the Government, by convention, use their power to grant that debate. Where is that stated in the Bill? It is simply not there. This is another case of the Government not wanting to be bound by statute in the exercise of their power to control the agenda of this House.

Mr. Hogg: Perhaps the hon. Gentleman could help me on this point, because he knows more about it than I do. I notice that the matter will not be debated unless the House has resolved that the treaty should not be ratified. My understanding of parliamentary procedure is that it is for the Government to table a motion that it should not be ratified unless it is debated. I can see no obligation in the Bill for the Government to put down such a motion on the Order Paper of the House.

David Howarth: That is entirely right. That is my main point about the defects in the clause.

The Government have stipulated a negative procedure. The great defect of negative procedures is that the Government have total control over the agenda of the House. They may choose not to allow an annulling resolution to come before the House for debate for the 21-day period, as they can under the existing arrangements in Standing Order No. 14: for example, they can ensure that an Opposition day is not held in that 21-day period. If they do that, they can obtain ratification of a treaty without any parliamentary discussion.

Mr. Grieve: The hon. Gentleman is making an important point. When I looked at the clause my first instinct was that there was some point in having a negative procedure, because some treaties will not concern or bother the House at all. However, he is right to highlight the fact that if we are to have such a procedure, there must be a system to ensure that the Government cannot prevent the negative resolution from being tabled and debated in the 21-day period.

David Howarth: Yes, that would be an alternative to the method that I propose. Amendment 1 would introduce an affirmative procedure, for two reasons that have already been discussed: first, because the Government are in a much better position to know what they have done; and secondly, because that would guarantee a vote—not a debate, but a vote.

Actually, now that I think about it, the Ponsonby rule was developed at a time when the Government did not have control over the agenda of the House every day. I suspect that they had control over three days out of the five in the week. Earlier, they had control over only two. I suspect that they could not have prevented a private Member's notice to disapprove of a treaty from being brought forward. We are in an entirely different situation now with regard to what the House can do about a treaty that the Government simply show they intend to ratify without yet having done so.

Mr. Cash: Does the hon. Gentleman agree that as we feel our way towards some kind of understanding and solution on this matter, part of the problem is categorisation? It is well established that the Government normally give time for debate and sometimes a vote on what are described as "important treaties". The problem is what is described as important. Perhaps an answer to the question whether there should be a negative or affirmative procedure is that there should be criteria to determine what is important and what is not so important. Those criteria could determine which categories of treaties should be regarded as essential for debate and a vote. That could include memorandums of understanding and other matters that fall into the category of being of incredible importance for discussion. That raises the question of signature, about which I shall speak later.

David Howarth: That might be a way forward, but my preference is to say that there should be an affirmative procedure unless the requirement to do otherwise is proven. That should be the default option.

If I understand clause 24 correctly, it is even more extraordinary than it first appears. It seems to suggest that if by some miracle the House of Commons votes against a treaty in a resolution, the Government then get another go. They can say that they disagree with the House, then wait another 21 days and ratify anyway. If the House votes against the treaty again within that 21-day period, the Government get another 21 days. They can keep disagreeing with the Commons until the Commons gives up. That seems quite appalling. The Government should not be allowed to defy the Commons at all, not even once. When it has voted not to ratify a treaty, that should be it.

If we go further into the clause, we get to the powers of the House of Lords, which is in an even worse position than the Commons. If it votes against a treaty, it can be overridden by mere ministerial fiat. A Minister can simply sign a declaration stating that he disagrees with the House of Lords. The clause seems to be a mere show—a shadow play, a simulacrum of change. If we look through the whole clause, we see that no real power is being transferred to the House at all.

What should we do about that farce? Our amendments are intended to put the situation right in three different ways. As I have mentioned, amendment 1 would replace the negative procedure with the affirmative so that treaties would not be ratified unless both Houses of Parliament had positively approved them. There would be no get-out clause whereby the Government could simply override a House of Parliament. That is the second point of the amendments—the Government would not have a second go in the Commons.

Chris Bryant: I am slightly perplexed. Is the hon. Gentleman really suggesting that every single treaty that is agreed should have to go through a positive vote in this House and the Lords?

David Howarth: What happens with affirmative statutory instruments is precisely that. There is not a debate on every one, but there is an order to be taken in the House after 10 o'clock, and if anyone wants to vote against it we end up with a deferred Division on a Wednesday lunchtime. There is at least a vote.

Mr. Grieve: The hon. Gentleman is right, but of course one problem with statutory instruments is that they operate until they are negatived, whereas the difficulty with a treaty is that once it is ratified, it exists as an international obligation. As we know from our discussions on the Lisbon treaty, Parliament cannot do much about it afterwards. That is why the key response that the Government have to provide in this debate—I am sure that he is right about this—is on how there can be a guarantee that the House will be in a position to bring forward a negative resolution and debate it within the 21-day period, and that the Government will not use a sleight of hand to wriggle out of their obligation in that respect. If they cannot provide that response, my sympathies will switch entirely to the hon. Gentleman and I will say that the clause is not worth the paper it is written on. At the moment, I take it at face value that the Government are well intentioned.

David Howarth: My hon. Friend the Member for Somerton and Frome (Mr. Heath) said in the debate on the programme motion that this was a constitutional Bill. One principle when debating constitutional matters is that one should assume that the powers granted by the law will be operated by people who are not well intentioned, even though those proposing them might well be. That is why I strongly prefer the guarantees of the affirmative procedure. How to deal with that procedure would be a matter for the House, and the Government would not have to hold a debate on each and every treaty, but there would at least be the opportunity of a vote, perhaps by deferred Division.

Mr. Cash: Does the hon. Gentleman accept that some of the problems could be overcome if we were to go down the route of attaching the approval of Parliament to the signing of a treaty, rather than to ratification, which tends to take place at the end of the process? That would be the right sequence. If I may go back to the 17th century for a moment, I have in mind the fact that King Charles II brought forward the secret treaty of Dover precisely to avoid Parliament being involved, so that he could carry on with subsidies from Louis XIV. That is not just an historical allusion, because we wish to bring forward the whole process to ensure that Parliament is involved. That is a really important proposal that has to be got right. I suggest that the signature consenting to a treaty is more important than the ratification that takes place at the end of the process.

David Howarth: The hon. Gentleman raises two points. I agree that having some sort of control over the negotiating of a treaty before it is signed is important. However, Parliament having control of ratification through a vote would be an important deterrent that would work its way backwards through the entire procedure.

The hon. Gentleman's reference to the treaty of Dover raises in my mind another reason to ensure that there is an affirmative procedure in the Bill. One problem with the Treasury's alignment project, which he will have come across, is that future estimates will come to the House in net, not gross, form. The previous procedure of limiting a Department's income through the appropriation-in-aid procedure will be got rid of, which will mean that Departments can collect money from other places without parliamentary control and present Parliament with only the net amount that they require from us. The hon. Gentleman provides yet another reason for having the affirmative procedure, because we must maintain control over expenditure.

Mr. Hogg: Might I suggest to the hon. Gentleman that what is clearly troubling a number of hon. Members is the fact that some treaties will be of relatively minor importance and will not require debate? Is not a sensible way forward to agree to the amendment in his name, with a modification to be made in the other place, so that generally speaking, treaties will be both debated and approved before ratification, unless the House resolves that debate is unnecessary, in which case a resolution will suffice—in other words, to create the presumption that there is debate and approval with a disapplying mechanism?

6 pm

David Howarth: Yes. That would be a way of resolving the problem of having a debate. Amendment 1 would require only a vote. It does not cover the question whether there should be a debate, which can be dealt with later.

The third improvement—the final one I shall mention—that amendments 1, 2 and 8 seek to achieve is to the position of the Lords. We are trying to achieve an analogous situation to what happens with statutory instrument in the Lords. Very often when the Lords discusses a statutory instrument, it has the power to bring it down—to annul it or refuse its approval—with the effect that it does not come into law. However, it rarely uses that power, by convention. Instead, it has what it calls a non-fatal resolution, under which it says that it disapproves of the statutory instrument the Government propose, but does not exercise its technical power to refuse legal force. The amendments on the Lords would merely reproduce that system. In the end, the Commons would be more important in the procedure, and the Lords would be able to say it disapproves of a treaty without bringing it down.

It seems to me that clause 24 is seriously defective, because the Government's intention appears to have been to write a clause that looks as if it transfers power when it does not. The intention of the amendments is to fulfil the Government's promise in reality, and change the system for the ratification of treaties so that real power comes back to this place.

Mr. Grieve: The amendments tabled by the hon. Member for Cambridge (David Howarth) seem to me to have some considerable force. The key issue is that Parliament should be able to express its view on treaties in the way the Government appear to intend. As I have indicated, I differ from him because I think the idea that we have affirmative resolutions for every treaty the Government sign is a burden that this House need not take on. If we did, it would gradually dawn on the House just how irrelevant the vast majority of such treaties would in fact be regarding many of the issues we must consider.

[Mr. Grieve]

When I saw amendments 1, 2 and 8, I was not minded to support them, because—this certainly applies to amendment 1—they seemed to go far further than required if this House is to do its job properly. However, the hon. Gentleman makes a very important point. Because the Minister is fairly well versed in the mysteries of procedure in this House, he will know that they are woefully wanting when it comes to providing proper opportunities for scrutiny.

It is perfectly possible for the Government to slip out of considering a negative resolution in a 21-day period, if they were minded to behave in that disgraceful fashion, because they control the Order Paper. The only opportunity the Opposition have to debate such a matter if the Government will not facilitate it is an Opposition day debate. If there is no such day in that 21-day period—I am sure some of my hon. Friends will correct me if I am wrong on this—it would be impossible to get the matter debated.

I hate to say it, but we have had that problem before. On a number of occasions, we have had statutory instruments or other matters that for one reason and another we wanted to bring to the Floor of the House. I can still remember being told, with such a lovely smile from the Leader of the House, simply to bring it along on an Opposition day debate. It is quite true that we could debate a substantive motion on an Opposition day, but that is when we get our Supply day. The truth of the matter is that that is not in our control. If we are indeed to move along the lines the Government are suggesting—I assume that they are acting in all sincerity, but that as usual, the full implications of the drafting have not sunk in for them—they must show in the Bill the mechanism by which the House can ensure that, should it wish to do so, it can have a negative resolution in that 21-day period. I am sure the Minister will consider that reasonable.

If I am wrong about that—the Minister's advisers can advise him and he might persuade the House of that—I will be content with the proposed arrangements, but if I am not, they must be corrected. The question at that point would be how we are going to do that. It could happen on Report or in the other place, but we must give the Government an incentive to do something about the problem. If they cannot give us the assurances we need, I would be minded to support amendment 1 if it were pressed to a Division, not because I want an affirmative procedure—I do not think that that is in any way necessary—but because it is time the Government woke up to the deficiencies in this House's scrutiny, which, heaven knows, we have complained long and hard about, before they give us a measure that may turn out to be a damp squib when it comes to the House's effectiveness.

On that point, I hope the Minister has time to consider the matter and provide us with persuasive arguments, or at least with an assurance that something is going to be done. Otherwise, we are going to have to mark our unhappiness at the measure. The only other way we could do that is by voting against clause 24 in its totality, which I am not sure is a very good idea because, as I should like to explain to him, we support the broad thrust of what the Government are trying to do.

Mr. Hogg: I am rather closer to the position of the hon. Member for Cambridge (David Howarth) than I am to that of my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve). It is important to go back to first principles and to ask what is a treaty and what its implications often are to the citizens of our country.

A treaty is, of course, an obligation that we make to other states and sometimes to international bodies. Very often, that is then reflected in domestic legislation, which bears on the individual citizen. A good example of that is the extradition treaty with the United States, about which we have spoken. Therefore, the starting proposition should be that a treaty is debated as well as approved by the House—that seems a good starting point to me. One must then ask in what circumstances that initial presumption is to be displaced. We then come to the point made by my hon. and learned Friend, which I am sure is true to a degree, that a number of treaties are of minor significance and we should not place a burden on the House.

At this point, I have a question to which the Minister may respond in due time. Typically, how many treaties are there each year?

Chris Bryant: Thirty.

Mr. Hogg: Thirty is not a huge number. Is that the typical number or an average figure?

Chris Bryant: I do not know whether it is average mean or median.

Mr. Hogg: We are not going to fall out, Sir Nicholas. Thirty is obviously the figure the Minister has in mind. Therefore what we are talking about is a rebuttable presumption that the House both debates and approves 30 treaties. I think that the House should be obliged to approve all of them by way of some form of affirmative procedure. However, I acknowledge that the House should not be obliged to debate all of them. Therefore, we have to find a way through the conundrum of requiring the approval of the House by some affirmative procedure, but allowing it to decide not to debate. Surely it is not beyond the wit of the constitutional experts available to this House—who are numerous, although they often get it wrong—to devise a mechanism that achieves that.

I looked at today's Order Paper and I noticed a devil of a lot of motions, which the House will be asked to approve, that we will not debate—motions 4, 5, 6 and 7. That is a signifieant number of the 30 that we are talking about.

Mr. Grieve: My right hon. and learned Friend highlights the extent to which the House has been further disabled because motions on the Order Paper that are objected to at 10 pm never get debated unless they are agreed on both sides. They get voted on on the following Wednesday without debate. We are in a mess on this, which is why the Government's assurances are so scant.

Mr. Hogg: My hon. and learned Friend is entirely right. I have not voted in a deferred Division for many years and I propose never to vote in one again, because they are profoundly unconstitutional and I wish to have

nothing to do with them. The serious point is that we should create the two presumptions of which I have spoken and allow the House to disapply the requirement to have a debate in appropriate circumstances.

Mr. Heath: The hon. and learned Member for Beaconsfield (Mr. Grieve) did not quite describe the position. A motion that is objected to simply returns on the next day's Order Paper until it is debated. That is the weapon that Back Benchers have to ensure the debate of something that the Government find it inconvenient to debate. If that were combined with the requirement to ratify within 21 days, it would provide an imperative for the Government to allow time to debate a ratification motion.

Mr. Hogg: These are arcane subjects for me, despite how long I have been here. I still favour the two presumptions: the House should always be asked to approve and, until it does so, ratification cannot take place, but we cannot always be required to debate the issue.

The hon. Member for Cambridge is right to suggest that the negative procedure in clause 24 is not a proper safeguard. As we know, and as my hon. and learned Friend the Member for Beaconsfield pointed out, control of the business lies in the grasp of the Government. If they choose not to put forward a resolution under the negative procedure, the resolution will not be put forward. We must not always assume that all members of the Government are men of good faith. We have to recognise that Governments can behave improperly, badly and malevolently. I do not suggest that the Minister comes into that category, but—as I have said frequently in this House—if power is given away, we can be sure that it will be abused. Therefore, we should give away the minimum of power that we can get away with and ensure that the power that is given away is set about with constraints. The protection that would be built in in this case is not sufficient. Therefore, if the hon. Gentleman pushes his amendment to a Division, I shall vote with him.

Mr. Cash: I have reservations about much of what has been discussed, but not the principle that lies behind it. I am glad to say that we have moved on from the 17th century to the 21st century and we are now seriously and properly discussing something that the Government sort of intend to achieve—that Parliament should be involved in the process of treaty making. That is a significant constitutional change in its own right. However, the trouble is that the Government have put so many caveats in clauses 24 to 26 that I am inclined to agree that there are not many options left if the Government decide, in relation to a specific treaty, that they do not want to have the full force of these provisions applied.

6.15 pm

I may be missing something, but the amendments would not delete clause 24(7) and (8). They cannot be removed from the Bill by some sort of sleight of hand by reference to clause 24(1)(c).

David Howarth: Amendment 7 would leave out lines 15 to 20 on page 13 of the Bill.

Mr. Cash: I accept that point. This is the Committee stage, in which we have to examine how amendments are presented, and I am happy to accept the fact that that is what amendment 7 would achieve. However, I have some reservations about what would be put in place of subsections (7) and (8). We are still left with the problem that clause 26 provides that clause 24 would not apply in exceptional cases. What criteria would apply in that case? Clause 26 states that a Minister need only be "of the opinion" that an exception should be made. As I said in an intervention on my right hon. Friend the Member for Wokingham (Mr. Redwood), once we enter that territory, we are instructing the courts that an issue is a matter of judgment for a Minister, and applying the word "exceptionally" to that muddies the waters considerably. Without wishing to impugn the motives of the Government—although I am happy to do so on most occasions—I am afraid that they have ended up with something that is almost contradictory. It says on the one hand that the courts should not interfere, but, on the other, that if a Minister decides that a treaty is an exceptional case, the courts should have some latitude in deciding whether that is so.

The drafting of these clauses worries me, and I return to my concerns about ratification versus signature. If we were to relate the questions being considered to signature rather than ratification, the provisions would contain the appropriate criteria for deciding how the consent was arrived at—because it is consent that we should be considering, not merely the mechanics of ratification.

As I have said on several occasions, in the British constitutional context, ratification tends to take place at the end of the procedure, as I found out to my cost—but not actually to my costs—when I took the Government to court over the Lisbon treaty. I sought to go to the High Court, but was turned down on the grounds that I was engaging in a political exercise—which of course was not true, was it, Sir Nicholas?

Chris Bryant: How would you know, Sir Nicholas?

Mr. Cash: I meant it in a purely rhetorical sense.

Mr. Hogg: Good job it wasn't in an affidavit.

Mr. Cash: Well quite!

My attempt to frustrate ratification on that occasion was turned down by the administrative court on the grounds that I was seeking to engage in a political exercise, but it did not award costs against me.

In 1993—I think—an important case was also brought by Lord Rees-Mogg in respect of ratification. All such cases turn on when the ratification takes place, by which time the particular Bill has gone through, and the legislation has endorsed the treaty and so on. These are fundamental questions. If the Government say in good faith that there should be a moment for Parliament properly to influence the process, that moment should come on signature, not ratification. I shall explain later why that is so important and relate it to what is contained in the Vienna convention.

Those are serious matters. For some of the reasons given by the hon. Member for Cambridge (David Howarth), the procedure proposed by the Government in clauses 24 to 26 is a smokescreen. The Government—I accused them of this in the debate on the programme motion—are engaged in a process of hypocrisy. The idea of good governance, the ideas in the Green Paper and all the

[Mr. Cash]

other things that have been referred to give the impression that the Government want the British people and Parliament to be fully involved in the making of treaties. I am afraid, however, that the way they are doing that gives them far too much of a get out.

As Mr. Bowman of the Nottingham treaty centre said, the Bill contains a significant loophole in respect of memorandums of understanding, which I mentioned earlier. Many treaty-like documents do not fall within the framework of the provisions and, as with the Ponsonby rule, only treaties requiring ratification or similar are covered. For example, excluded, but covered by special procedures, would be double taxation agreements and European treaties—no doubt we will come to that later. I have in mind arrangements under European parliamentary legislation and special procedures applied under the European Communities Act 1972, as amended. Many other types of treaty, such as defence treaties, including—interestingly enough—not unimportant treaties on the stationing of ballistic missiles, would not be included. Indeed, many international lawyers regard memorandums of understanding as actual treaties.

There is a certain disingenuousness in the Government's proposals—they go so far but not far enough—and an element of what I have described as hypocrisy in how they have presented them. However, I do not want to be too critical because basically they are moving in the right direction. Between the amendments tabled by the hon. Member for Cambridge, the remarks by my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) and the Government's proposals, we are making some progress. However, I do not think that the drafting is good enough nor the intentions sufficiently comprehensive. We are moving in the right direction but not achieving enough.

Sammy Wilson: The hon. Gentleman is making an important point. Although the intentions might have been good—all the earlier documentation indicates that they were—the reality might not be reflecting that. However, is the simple answer not to go along with the amendment, which would mean that all treaties would be subject to affirmative resolutions in the House?

Mr. Cash: That would present problems. I have some sympathy with the Government, given the number of documents, including treaty-like amendments, that I would have in mind for inclusion in such arrangements. I have already mentioned ballistic missile agreements and memorandums of understanding. Once we have established a category for the kind of treaties included in such arrangements, they should be categorised into different types of important treaty—that takes us back to something that I said earlier.

Finally—

Mr. Hogg *rose—*

Mr. Cash: Before I give way to my right hon. and learned Friend, I would add that some believe strongly that there should be what is called the non-statutory soft mandating mechanism allowing Parliament to have some influence on the negotiation of a treaty, at least immediately before signature, which is why I tabled my amendment.

Mr. Hogg: I am grateful to my hon. Friend. He will know that I do not normally encourage him to go on longer than he feels that he wants to, but I seek his view on one matter. He has made an important point about memorandums of understanding falling outside the definition of a treaty. He also said the same thing about missile siting agreements. However, on the face of it—I am not an international lawyer—the definition of a treaty in clause 28(1) would include a memorandum of understanding, if it is

"a written agreement…between States or…international organisations, and…binding under international law."

I ask myself why, if a memorandum of understanding is binding, does it not come within the statutory definition of a treaty? I would welcome my hon. Friend's guidance.

Mr. Cash: I think that the short answer can be found in clause 28(2), which states that

"'treaty' does not include a regulation, rule, measure, decision or similar instrument made under a treaty".

It is accepted that that needs to be more explicit. That is where the problem lies and clarification is needed. I do not depart from the point that my right hon. and learned Friend is making. At the moment, the clause refers to a written agreement, but the memorandum of understanding is not necessarily an agreement. We will need further clarification on that. The commentators whom I have had the opportunity to read are clearly of the opinion that what is referred to in the Bill, including clause 28, does not go far enough. Furthermore—I make this point yet again—the reference to ratification does not appear early enough in the process.

My right hon. and learned Friend is right to ask the question that he did but, as with so much of the debate, we will need greater clarification. That is why I will find it difficult simply to agree with the amendment put forward by the hon. Member for Cambridge.

Treaties do not come out of thin air, but they sometimes go up in a puff of smoke. That is the problem that we have to be careful about. If the Government really want to include the right kind of arrangements between states, they will have to clarify the provisions. I would be interested to hear from the Minister why the provisions are not sufficiently comprehensive—he may argue that they are sufficiently comprehensive, but it is quite clear that all the distinguished commentators and jurists whose works I have been reading do not believe that to be the case. I would like to hear what the Minister has to say about that.

6.30 pm

Mr. Heath: I do not want to reiterate any of the arguments so ably made by my hon. Friend the Member for Cambridge (David Howarth). We have put a strong proposition before the House and it needs an appropriate response from the Minister. If that ministerial response is insufficiently strong, I hope that my hon. Friend will push the matter to a vote. However, we are also dealing with clause 24 stand part, and in that context I want briefly to touch on two points, both of which depend on the opinion of the Minister.

This issue was raised earlier, but I am not clear under what circumstances the Minister might be of the opinion that his view should take precedence over that of the House of Commons. That is what is implied by clause 24(4)(a),

which sets out a mechanism—there must be a reason for this mechanism being there—by which a Minister can simply say, "The House of Commons has voted against this treaty, but we still believe we ought to go ahead." Nothing could be a clearer indication of the shallowness of the provision before us if it would be possible for a Government to put a matter before the House of Commons, be defeated and still proceed. I know that there is a certain precedent for that—when referendums go the wrong way, they tend to be repeated until the "right" answer eventually emerges—but that should not be built into the proposal before us. I should like the Minister to explain why he believes that provision to be a necessary part of the clause and under what circumstances he believes it would be appropriate to use that mechanism.

Mr. Cash: Will the hon. Gentleman give way?

Mr. Heath: The hon. Gentleman has only just sat down, but I should be happy for him to stand up again.

Mr. Cash: By using the expressions contained in the Bill, we are moving to a situation where the judiciary will be increasingly drawn into such questions. If that is the case, muddying the waters—through the conjunction of, on the one hand, the phrase "of the opinion of the Minister" and, on the other, the word "exceptionally"—will draw us into a real tangle. The judiciary is notoriously anxious to avoid getting involved in treaty interpretation, if at all possible. There is therefore a serious question to be addressed—if not in this sitting, then on Report and subsequently in the House of Lords—so that much more careful consideration can be given, however useful this debate has been, and we are making progress.

Mr. Heath: I am grateful to the hon. Gentleman, who is absolutely right. The purpose of the wording is indeed to muddy the waters and to make things more difficult to adjudicate. However, I question the appropriateness of the provision being included at all, in that if the whole point is to restore to this House the right to decide whether a treaty is appropriate, it seems quite perverse then to say, "But if the Minister doesn't like that decision, he can simply carry on presenting the treaty to the House, through a long process of attrition, until eventually there aren't enough people here or people of the right persuasion are here and the treaty can get through." That is not what should be in clause 24.

The other expression that I would like the Minister to explain is the one that was touched on in our first debate in Committee this afternoon. Clause 24(1)(b) refers to the treaty having been published

"in a way that a Minister of the Crown thinks appropriate".

I just do not know what that means or why it has been included. I assume that a treaty will be published in the form in which it was signed, not in a way that a Minister thinks it appropriate for people to read. The only, very small explanation that I can conceive of is that if the treaty was signed in another language, it might be appropriate for the Minister concerned to publish it in English, for the benefit of this House and the wider British public. However, beyond that simple matter of translation, I do not understand what the Minister has in mind by insisting that a treaty can be published in a way that a Minister thinks appropriate, rather than in the form in which it was signed, in whatever proceedings led to its being agreed. I would like the Minister to explain what is intended by that phrase, because clearly somebody has something in mind that is not obvious from a simple reading of it.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I am grateful to the hon. Member for Cambridge (David Howarth) for tabling the amendments. What he is trying to accomplish is in the spirit of what the Prime Minister sought to do in his early works, on those bright, happy days of two years ago—to see a shift in the balance of power, to restore Parliament. That was the intent behind what the Prime Minister said, and I do not doubt that that was what he had in mind, in those brief moments of joy.

However, in our constitutional arrangements and our system of government—I have reflected on this issue over many years, and it is common to more than just one Government or another—there is the concept of the Crown. From that emanates the concept of prerogative powers and the accretion of the governance of the United Kingdom. Ministers sometimes stand in this Chamber and endeavour from those concepts of the Crown to shift the great ship of state, and yet when we see the words produced by the machinery of government for those Ministers, who operate as the Crown, we see that intent become a weaker note—they do not accomplish what we understood from the brave words set out in "The Governance of Britain" or from those of the Secretary of State for Justice, the Home Secretary or the Prime Minister.

Why should we not vote? Why should that not be the automatic response on something that can affect the lives of citizens? My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) made the good point that the extradition treaty to which he referred was essentially negotiated in secrecy. We did not understand the intent and purpose behind it as we would have liked. We have been through the Lisbon process—the signing was an act of the Crown, but we had to legislate for it, because our dualist system for dealing with treaties makes it necessary to translate them into statute law for this country. That is what we have to do. However, the proposition in the Bill makes no such allowance. What the hon. Member for Cambridge and the Liberal Democrats have proposed and what my right hon. and learned Friend had to say were very well put. I have always believed that the presumption should be that laws can be made and treaties entered into only with the consent of the people as expressed through this Chamber. What is written in the Bill does not ensure that.

Chris Bryant *indicated dissent.*

Mr. Shepherd: No, it does not. The decision is really at the discretion of Ministers. The hon. Member for Somerton and Frome (Mr. Heath) pointed out where clause 24 says that, notwithstanding the delay in the process, the Government can effectively go ahead and ratify.

Chris Bryant: Honestly, the clause does not allow that. The hon. Member for Somerton and Frome first seemed to suggest that the Government could just override the House of Commons, but the second time that he

[Chris Bryant]

made the point he correctly said although the Government may bring the treaty back, it would still require the consent of the Commons.

Mr. Shepherd: All right; I will accept that point, but that was not my understanding of subsection (4), which I thought was quite clear. It says:

"The treaty may be ratified if—

(a) a Minister of the Crown has laid before Parliament a statement indicating that the Minister is of the opinion that the treaty should nevertheless be ratified and explaining why, and

(b) period B has expired without the House of Commons having resolved, within period B, that the treaty should not be ratified."

I was lost in the language.

David Howarth: The language of that subsection seems clear to me: the Commons has to resolve again, in period B, not to ratify the treaty if it is to prevent ratification. However, subsection (6) says:

"A statement may be laid under subsection (4)(a) in relation to the treaty on more than one occasion",

so the Government can just go through the process again, and can keep on doing so until the Commons gives up. *[Interruption.]*

Mr. Shepherd: But we wanted more than how it is now; that is the point. I was rolling on to the point that it is essential that we have a vote on the amendments that we are discussing, so that the House of Lords will know that the House of Commons stumbled or fought, and will know that we thought that the issue was important and needed to be discussed without the pressure of a guillotine.

Mr. Hogg: May I suggest to my hon. Friend that his point has ever greater force if one bears in mind what the Minister said about the consultation held on the treaty powers, in which, apparently, no question was raised on clause 24? If that is right—I am sure that the Minister was telling us what he thought was correct—this is the first occasion on which right hon. and hon. Members, and others, have really expressed anxiety about the proposals in clause 24.

Mr. Shepherd: I am grateful to my right hon. and learned Friend. As he will know well, the issue of when papers or documents are laid before the House is, again, at the discretion of the Executive. Many a time, important measures—those in statutory instruments, for instance—have been laid before Parliament on the very day on which the House rises for a recess. My fear as regards treaties, given the provision on 21 days and all the rest of it, is that we will not appreciate what is happening. Just before the summer recess, no one—or only some of us, sometimes—is alert and alive to what is happening.

In fact, on our expenses, I remember the redaction agreement that was reached on the Floor of the House of Commons; it was interpreted by the Secretary of State for Justice in such a way as to bring the House into disrepute. That statutory instrument was laid before the House on the very day on which Parliament rose for the summer. Perhaps I am conflating too many issues, including intent and the way in which the Government operate, but that is how they have operated.

Mr. Heath: To support the hon. Gentleman's contention, we know that the Bill does not set out a time period between the signature of a treaty and its being laid before Parliament and triggering the 21 days, so the Government can lay the treaty before Parliament at their convenience and discretion. The Minister boasted earlier that the UK-US extradition treaty was signed in March and kept absolutely secret until May, two months later, when the Government tried to sneak it through the House.

Mr. Shepherd: Absolutely. I was there, and I know that my right hon. and learned Friend the Member for Sleaford and North Hykeham was there. We watched the proceedings, and the construction of what followed, with some bemusement; we have seen the difficulties in which the treaty has placed Home Secretaries, and have seen that it raises questions of equity.

The reason why I rose to speak, Sir Nicholas—sorry, Mr. Lord. *[Interruption.]* I mean, Sir Michael; we will have a gamut of titles before we are finished. I rose not only to support the amendments, but to agree with the contention of my right hon. and learned Friend that it is necessary to establish, by expressing a view on the Floor of this House, that the matter is one that the House of Lords should look at most carefully.

Sammy Wilson: In debate on the clause we have seen that, despite the high principles set out in the consultation paper, the Green Paper and the White Paper, and the promises to the Joint Committee on the draft Constitutional Renewal Bill, if we actually examine the detail in the Bill we see that the powers that the House will have to stop the ratification of a treaty fall far short of the ideals that were promised at the start.

6.45 pm

Members have outlined clearly the importance of international treaties and their impact on the lives of individuals in the United Kingdom. We want, and should have, proper scrutiny of the laws that we pass in this House, and so it should be with international treaties. However, let us look at what is in the Bill. As the hon. Member for Somerton and Frome (Mr. Heath) pointed out, the treaty will be

"published in a way that a Minister of the Crown thinks appropriate".

The Minister may well explain what that means later, but if we take that at face value, immediately we see that if a Minister wants to push a treaty through, or ratify a treaty that people have some reluctance about, the provisions relating to how it is written up and presented will make it possible for the House not to have all the information.

Secondly, the Bill requires a treaty to be put before the House, but the negative procedure is used. In other words, people will actively have to decide whether a treaty is sufficiently important, even though it may have been presented in a way that the Minister thinks appropriate, which may not alert people to the full implications of the treaty. Someone has to undertake an activity to bring the matter before the House in the first place.

Mr. Hogg: May I suggest to the hon. Gentleman that there is a further problem? The negative procedure can, generally speaking, be triggered only by Front Benchers. If they think that the negative procedure is not required,

that excludes the ability of Back Benchers to object to the treaty, whereas the affirmative procedure enables everybody to play a part, if the treaty is brought to the Floor of the House.

Sammy Wilson: I thank the right hon. and learned Gentleman for that intervention, which was very useful. If a full role is to be played by all Members of the House, and not just the Front Benchers, the negative procedure is not a satisfactory way forward. The Government have the opportunity to present the treaty as they wish, and the negative procedure is to be used, but if the Government still do not like the outcome, subsection (4) allows the Minister to have another go at it, and to say, "Despite what I've heard, I still think you're wrong." There is then a further period in which the treaty can be looked at. As has been pointed out, if he gets the "wrong" answer again, he can bring the treaty forward time and again, until attrition or weariness means that the Government get their way. Is that what is meant by giving the House a greater say on international treaties? It falls short of what we would want, ideally. The easy way round that is to support the amendment requiring treaties to be subject to the affirmative procedure.

Mr. Cash: I simply want to come back to the question of signing, as compared to ratifying, the treaty. All our discussions have revolved around assumptions to do with the word "ratification" in the clause. However much progress is being made towards a general objective, we have not yet dealt with the question of whether, in light of the Government's apparent intentions, it would be preferable—I would be interested to hear what the Minister has to say about this—to relate the entire process to signature rather than ratification. Article 11 of the Vienna convention lists various ways in which a state can express its consent to be bound. These include signature, exchange of instruments constituting a treaty and, among others, ratification, acceptance or approval. I do not want to turn this intervention into a speech, but I must point out that it is terribly important, if we are to get this right, to link consent to signature rather than to ratification in this context.

Sammy Wilson: I know that the hon. Gentleman has tabled an amendment on this matter. I take his point, and I would be quite happy to see the provision relate to signature rather than ratification.

Adopting the affirmative resolution procedure in this process, as the amendment proposes, would remove many of the objections that I have raised. The only argument that I have heard against doing so is that it would take up far too much time. It has been pointed out by the hon. Member for Cambridge (David Howarth) who moved the amendment, however, that not every treaty would have to have extensive debate in the House. Furthermore, the Minister has said that there are not that many treaties anyway. He mentioned an average of only 30 a year. So the contention that dealing with every treaty using the affirmative resolution procedure would take up too much time does not seem to have been effectively argued in the Minister's responses so far. For that reason, if the matter is pressed to a Division, I shall certainly vote to enable the House to have a say on every treaty that the Government bring forward.

Chris Bryant: I should like to make one preliminary remark. The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) referred to the question of whether Governments were of good faith or not. I think that it is an assumption in this House that all Members are people of good faith.

There has been an excess of suspicious minds on this clause today. We are intent on ensuring that more of the power that has thus far resided with the royal prerogative is transferred to Parliament. That is the bottom line.

Mr. Hogg: I am making absolutely no criticism of the hon. Gentleman, but it is a very dangerous assumption that all Governments comprise people of good faith at all times. One must actually assume the contrary.

Chris Bryant: I—

Mr. Grieve: I have no reason to doubt what the Minister says, but he will have to concentrate on the point that the Government's intentions, as set out in the Bill, do not necessarily marry up with the Standing Orders of the House. The Government might not therefore be able to deliver what they appear to be promising in the clause.

Chris Bryant: I hope that I shall be able to satisfy the hon. and learned Gentleman on that matter.

I shall deal with some of the smaller issues that some hon. Members have raised in what I described as a somewhat over-suspicious manner. Attention has been drawn to the words

"in a way that a Minister of the Crown thinks appropriate".

This simply means that one could publish a treaty as a Command Paper, or by depositing it in the Library of the House. Equally, one could publish it on the Order Paper, or as a White Paper. There is no way in which a treaty could be published in a way that was secretive, or designed to mislead the House. These are simply the customary words—they are used in many other pieces of legislation as well—that allow Ministers to decide whether a Command Paper or a White Paper is appropriate. I am certain of that.

It will be sad when the hon. Member for Cambridge (David Howarth) is no longer a Member of this House. He has done a great service to the House in many ways. He raised the question of whether the affirmative resolution procedure should be used in both Houses. My own suspicion is that that would be too cumbersome for the two Houses. The process that is used in the House of Lords is somewhat different from what happens in this Chamber.

The hon. Member for Stone (Mr. Cash) pointed out that there are many different kinds of treaty. The vast majority of them are very technical and relatively minor, and they do not detain or concern the House very often. It should not be for the Government to decide which do and which do not, however. It should be for the House to decide which treaties it wants to investigate, debate and vote on. We would absolutely guarantee that a motion would be debated and voted on, if the House so wished. The question was asked earlier: who is the House, in this context? If Members—whether Front Benchers or Back Benchers—sought to debate a motion, the Government would ensure that there was a debate within the time. The other thing that the Government could do is extend the time.

Mr. Hogg: The concept of the Government responding to individual Back Benchers demanding a debate and a vote is a new one. What would Back Benchers have to do to achieve such success?

Chris Bryant: They would have to ask for it.

A couple of hon. Members referred to the 21-day period. The hon. Member for Aldridge-Brownhills (Mr. Shepherd), who is not in his place at the moment, said that the material might be tabled on the last day before a recess. Actually, one of the provisions in the clause has not been mentioned. At present the Ponsonby rule applies only to days when either House is sitting, whereas under our proposal, the term "sitting day" would mean a day on which both Houses are sitting. That will effectively extend the period of time available. This is in response to one of the Committees that examined the Public Administration Committee's report on the draft Bill. We have sought to extend the period in that way.

Mr. Cash: On the question of determining which documents are important and which are not—be they treaties or treaty-like instruments—will the Minister tell us whether the term "written agreement" is wide enough to cover that? Also, under the conventions relating to the Ponsonby rule, it has been open to the Government since 2001 to refer treaties to departmental Select Committees, and they normally do. It is at that point that some of the problems of categorisation could arise. A departmental Select Committee could decide that a treaty was important and ought to be debated and voted on. The crucial question is not merely whether we have a debate on a "take note" motion, but whether we have a substantive motion on which a vote can take place. Those are areas that require further clarification, are they not?

Chris Bryant: The hon. Gentleman is right to say that if there is a desire for a vote, there has to be a vote on a substantive motion. If such a motion were to fall, the Government could, as the hon. Member for Somerton and Frome (Mr. Heath) has pointed out, try to bring the issue back to the House. My suspicion, however, is that the politics of the moment would probably determine that if a Government had lost, in the House of Commons, a treaty that they had signed, there would be a real danger that the Government would fall—although that is not what happened to President Wilson when he lost the Versailles treaty in the United States of America. That situation was rather different, of course, because the Executive there are completely separate from the legislature. None the less, it is pretty unlikely that Governments would want to continue to bring such a matter back again and again.

David Howarth: That raises an obvious question. Why do the Government think that this particular provision is at all desirable or necessary?

Chris Bryant: Because there would be circumstances in which one would want to return to such an issue. It will be a political judgment for the Government. They may decide "No, it's clearly dead; we'll have to leave it," but in other circumstances they may believe that it is in the interest of national security, or whatever, to return to the issue and try to make the argument again. The key point is that the Government would not be able to proceed without the House of Commons having either voted in favour or decided to let the matter rest.

Mr. Grieve: Can the Minister identify any matter on which the Government may currently be defeated which they cannot bring back before the House at their discretion?

Chris Bryant: No. The hon. and learned Gentleman makes a good point.

7 pm

As for my saying that it did not matter that the clause had not been raised in general public consultation, several matters were raised, and there has been a Joint Committee on the Bill, which broadly agreed with the provisions in the clause. It felt that the previous version had not been properly drafted, which is why we redrafted the provisions this time, and we believe that we have made them clearer.

Mr. Hogg: If I did not say this earlier I apologise, but the point that I wanted to make is that the Minister said that no criticism had been made of clause 24, yet this is the opportunity for us to make criticism, and the other place needs to know about the fact of our criticism.

Chris Bryant: Well, some criticism has been made, so let me clarify that: there have been previous debates on this matter.

The hon. Member for Stone asked why the procedures do not apply to treaty-like documents, and he referred to memorandums of understanding. Such procedures would apply to such memorandums if they were legally binding in international law, but memorandums of understanding are not legally binding in international law, which is why those procedures do not apply. That is the clear distinction that we are trying to draw here.

The hon. Gentleman is right to say that there are some circumstances in which we have to enact certain elements of a treaty before ratification, in order to bring ourselves into line with it. On other occasions we have already substantially legislated in the field, so there is no need for further legislation and the only process left is approval followed by ratification. There are a few instances where ratification happens by virtue of signature, mainly in cases where negotiation is developing fast so that revealing the Government's hand in public—in the UK and therefore to the wider world—would undermine our negotiating stance with another Government. There is, I think, an element of wanting to maintain that distinction.

I hope that I have reassured the House that the Commons would always have the right of veto, should it choose to implement it. The Government would always make sure that where a debate and vote were requested, they would be made available within the allotted time—or if they were not, we would extend the time in order to allow that provision.

Mr. Cash *rose—*

Chris Bryant: I am minded not to give way, if the hon. Gentleman does not mind.

Mr. Cash *rose—*

Chris Bryant: No, I am not giving way, as we have already had quite a lengthy debate. *[Interruption.]* The hon. Member for Rayleigh (Mr. Francois) is sighing at me, but he was not here and he did not listen to my response to his party's questions. Without further ado, I urge the Committee to reject the amendment and to carry the clause.

David Howarth: We have had a good debate, and I thank the Minister for his kind remarks. A series of interesting points have been raised about a wide range of issues. I do not want to go through all of them. I am particularly grateful to the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) for his suggestions about how to develop further the proposals on which treaties should or should not be debated in the House, but the proposal before us now—amendment 1—is simply to reverse the negative procedure and introduce the affirmative procedure as the default option, and as the fundamental way in which this House deals with treaties.

Mr. Grieve: I have had the opportunity of listening to the Minister, and although I do not doubt his sincerity, it seems to me that he has not provided an explanation of how Standing Orders can enable the House to consider a negative resolution against a Government who do not wish to provide one. I believe that that is a serious flaw that needs to be addressed and will have to be looked at further in the context of the Bill, even though I support a negative resolution in principle.

David Howarth: I thank the hon. and learned Gentleman. That is the core of the problem with the negative procedure.

The Government's defence has two aspects. First, the procedure is said to be cumbersome, but the response to that point was provided by the hon. Member for East Antrim (Sammy Wilson). The Government have said that there are only 30 treaties a year, and that they will be dealt with in fundamentally the same way as we deal with affirmative resolutions for statutory instruments, of which we deal with several a day—there is one about income tax on the Order Paper today—so this does not seem to be at all a good point for the Government to make. The procedure is not cumbersome in the least.

For the second part of the Government's defence, the Minister gave a guarantee that in certain circumstances, if complaints were made about a treaty on the Floor of the House, the Government would use their power over the agenda of the House to make sure that a debate and a vote took place. The trouble with that defence is that it was later reduced to absurdity when the Minister said that he would accede even to the requests of Back Benchers, which immediately starts to contradict his first point. If anything would be cumbersome, it would be a system under which any Back Bencher could get 90 minutes on the Floor of the House any time they wanted to complain about something. I am afraid that that part of the defence does not work either.

It seemed to me that the Minister was thrown back on to what might be called the "good chap" theory of the constitution—that we are all good chaps together and no one will exploit the power that this particular way of implementing intentions gives the Government. I am afraid that it is too late for the good chap theory of the constitution. If the whole purpose of the clause, and this part of the Bill, is to transfer power from the Government to Parliament, that transfer itself must be part of the Bill. What the Government cannot do is transfer a little bit so that the proposal does not work in reality—even though one wants it to work—and then say that otherwise Parliament can rely on the Government's good will. That is precisely the form of Government that we are trying to move away from; it relies on the use of the very prerogative that we are trying to undermine.

Mr. Cash: Does the hon. Gentleman accept the central idea—I put it to the Minister, but he would not take the point—that to get the objectives right, it is signature rather than ratification that we need to get right, because under the UK constitutional arrangements ratification tends to take place at the end of the procedure?

David Howarth: I think that the hon. Gentleman is half right. I agree that it would be a good idea to develop proposals to deal with signature, but that does not mean that ratification is irrelevant; indeed, I think it is very important.

To return to the central issue of the Government's control over the House, that is precisely what makes clause 24 ineffective as a way of transferring power. If the Wright Committee's proposals were to be accepted by the Government, that situation might change. Unfortunately, however, we have no sign yet that the Government intend to bring those proposals to the Floor of the House and accept them in full. At this point, if the Minister would like to spring to his feet to contradict me, I would be grateful—but I would also be surprised. In the absence of any guarantees to change the House's procedure, the point still stands that the negative procedure achieves very little, if anything. On that basis, I shall press amendment 1 to the vote.

Question put, That the amendment be made.

The House divided: Ayes 232, Noes 277.

Division No. 44] **[7.9 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai

Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Opik, Lembit
Ottaway, Richard
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Alan Reid and Dan Rogerson

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*

Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Heyes, David
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mark Tami and
Mary Creagh

Question accordingly negatived.

Mr. Mark Francois (Rayleigh) (Con): I beg to move amendment 125, page 12, line 42, at end insert—

'(1A) In the case of treaties which transfer competences from the United Kingdom Parliament to the European Union—

(a) subsection (1)(c) shall not apply,

(b) the procedure set out in new Clause [Referendum on Treaties which transfer competences to the EU] shall apply.'.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): With this it will be convenient to discuss the following: amendment 126, in clause 27, page 14, line 10, after '(1)', insert

'Save as provided for in section 24(1A).'.

Amendment 127, in clause 26, page 13, line 39, at end insert

'or if the treaty transfers competences from the United Kingdom Parliament to the European Union.'.

Amendment 128, in clause 28, page 14, line 44, at end add—

'(5) In this Part, "competences" means areas of supplementary, shared or exclusive jurisdiction.'.

New clause 68—*Referendum on treaties which transfer competences to the EU*—

'(1) This section shall apply in the case of a treaty which transfers competences from the United Kingdom Parliament to the European Union.

(2) A referendum shall be held throughout the United Kingdom and Gibraltar on the day specified by a Minister of the Crown.

(3) The question to be asked in the referendum is whether the British people approve the ratification of the treaty, "Yes" or "No".

(4) A person is entitled to vote in the referendum if, on the day it is held, he is—

(a) an individual who would be entitled to vote as an elector at a parliamentary election in a constituency in the United Kingdom;

(b) a peer who would be entitled to vote as an elector at a local government election in an electoral area in Great Britain or at a local election in an electoral area in Northern Ireland; or

(c) a Commonwealth citizen who would be entitled to vote in Gibraltar as an elector at a European Parliamentary election.

(5) A Minister of the Crown may by order make provision in relation to the referendum which—

(a) determines the referendum period for the purposes of Part 7 of the Political Parties, Elections and Referendums Act 2000 (c.41); and

(b) requires ballot papers to be used by voters in Wales, after having set out the question and the possible answers in English, to set them out again, with equal prominence, in Welsh.

(c) makes provisions as to the conduct of the referendum, entitlement to vote in the referendum and legal challenge to the referendum result.

(6) Every power of a Minister of the Crown to make an order under this section shall be exercisable by statutory instrument.

(7) An order under this section may be made only if a draft of the order has been—

(a) laid before Parliament; and

(b) approved by resolution of each House.

(8) A treaty subject to Section 24, (1A) can come in to force in accordance with provisions made by the Secretary of State by order made by Statutory Instrument provided—

(a) the Chief Counting Officer has given a certificate under section 128(6) of the Political Parties, Elections and Referendums Act 2000 (c.41) certifying the outcome of the referendum; and

(b) the total number of votes certified as cast in favour of the answer "Yes" exceeds the total number certified as cast in favour of the answer "No".'.

Mr. Francois: These amendments and new clause 68 would ensure that any future treaty that transferred areas of power or competences from the United Kingdom Parliament to the European Union would require the consent of the British people in a referendum as a condition of its ratification. This referendum lock would give the British people the final say on whether they wish this Parliament to hand over further areas of power to the European Union. This is a right similar to the one that voters of the Republic of Ireland already enjoy under their constitution.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): The following point is crucial to these amendments and new clause 68. Will the hon. Gentleman give a cast-iron assurance that if his party forms the next Government, this will be part of their legislative programme in their first term—yes or no?

Mr. Francois: We are seeking to make it an assurance tonight by amending this Bill here and now.

Mr. Edward Davey (Kingston and Surbiton) (LD): Answer the question.

Mr. Francois: I will answer in my own way. I very much hope that the hon. Member for Harrogate and Knaresborough (Mr. Willis) will support us in the Lobby this evening in order to amend the law tonight. If we were not to succeed tonight, we would, as I shall discuss later in my speech, then amend the law if we were to form an incoming Conservative Government. He will have an opportunity to support us in the Lobby tonight.

Part 2 of the Bill also seeks to give the Government a get-out clause to ratify treaties in exceptional circumstances without allowing for detailed parliamentary scrutiny and approval. Our associated amendments 126 and 127 would, in effect, disapply the special exemptions that the Government have granted themselves in the Bill to ratify treaties, so that they could not apply to any treaty that transfers further powers from this Parliament to the European Union.

Mr. Nicholas Soames (Mid-Sussex) (Con): On that very important point, will my hon. Friend define for me what he means by "competences"?

Mr. Francois: Yes. If my hon. Friend looks at the amendment paper, he will see that we have attempted to do that in amendment 128.

Mr. Edward Leigh (Gainsborough) (Con): My hon. Friend mentioned the Irish constitution, whose guarantee is a cast-iron one, because it is part of a constitution that is almost impossible to change. In our case, a Conservative Government could have a referendum just because they wished to do so, but a Labour Government would not have to hold a referendum. What does the amendment mean?

Mr. Francois: By putting in this referendum lock, the amendment means that if ever there were a future treaty that transferred powers from Britain to the EU, there would have to be a referendum. We are committed to that, which is why we are moving the amendment on the referendum tonight. To return to the point made by the hon. Member for Harrogate and Knaresborough, if we were not to succeed tonight and if we were victorious at the general election, we would amend the legislation as an incoming Conservative Government in order to achieve a referendum lock. I hope that that is very clear. What the House will want to know this evening is whether the Labour party and the Liberal Democrats support a referendum lock, which is what we are proposing tonight. I hope that that provides a clear answer for my hon. Friend the Member for Gainsborough (Mr. Leigh). We shall wait to see what Labour and the Liberal Democrats do in the Division Lobby.

Keith Vaz (Leicester, East) (Lab): Will the hon. Gentleman give way?

Mr. Francois: I would like to make just one more paragraph's-worth of progress and then I shall give way to the right hon. Gentleman, as he is a former Minister for Europe.

We do not believe it is right that treaties relating to the EU should be specifically exempted from parliamentary scrutiny, so we have tabled amendments 126 and 127, which seek to undo the loopholes that the Government have introduced in the Bill and to ensure that a future Government cannot avoid giving the British people their say. On that point, I shall give way to the right hon. Gentleman.

Keith Vaz: I am not, in principle, against the idea of referendums relating to the European Union; in fact, I am on record as saying that I think we ought to have an all-singing, all-dancing referendum on membership of the European Union. However, may I just ask the hon. Gentleman how many of the treaties that have been passed in the past 20 years does he think would have needed to be the subject of a referendum?

Mr. Francois: I understand the question that I am being asked.

Chris Bryant: Good.

Mr. Francois: Thank you. Our amendment proposes that if ever there were a future treaty that transferred powers, a referendum would have to be held. As the right hon. Member for Leicester, East (Keith Vaz) knows, we argued very hard for a referendum on the Lisbon treaty. I do not wish to pre-empt the debate, Sir Michael, but I have a funny feeling that that may yet crop up again once or twice in the next few minutes.

Mr. Cash *rose—*

Mr. Francois: Absolutely bang on cue.

7.30 pm

Mr. Cash: This amendment has, of course, been tabled by our Front Benchers and my hon. Friend will, I am sure, understand that references to the transfer of future competences are, in the opinion of some of us, including myself, simply not enough. We need to ensure that we repatriate economic competitiveness, for example, as my right hon. Friend the Member for Witney (Mr. Cameron) said that we must in his speech to the Centre for Policy Studies in 2005. Will my hon. Friend clarify the difference between what my right hon. Friend said then and what is being said now in the most recent speech on Europe, which is that we want to repatriate that competitiveness?

Mr. Francois: As my hon. Friend will know, I am talking now about an amendment that concerns future treaties. I do not propose, although my hon. Friend tempts me to do so, to go into long debate about the changes for which we have asked on how the Lisbon treaty will apply in the UK post-ratification. I hope, Sir Michael, that you will understand why I will not go down that route this evening. I want to focus on this amendment. The commitment given by my right hon. Friend the Member for Witney (Mr. Cameron) definitely still stands.

The last major ratification of a European treaty was that of the Lisbon treaty. During debates on the treaty, Conservative Members of Parliament kept their manifesto promise and voted for a referendum. Unfortunately, with a few honourable exceptions, the Labour party and the Liberal Democrats did not.

My party believes that the British people should be given the last word on any future transfers of power from the UK to the EU, so I challenge the Labour party and the Liberal Democrats to have equal trust in the British people and to support this amendment tonight. Before they vote, I would also ask them to consider the following. If they vote against the amendment, they will be voting against giving the British people a say on any future handover of power to the EU and people will rightly ask why. Their most likely conclusion will be that Labour and the Liberal Democrats, once again, mean to sign new treaties handing powers over from Britain to the European Union without consulting the voters, as they have conspired to do in the past. If that is what they plan to do, we will be happy to inform voters of their intentions at the imminent general election.

I am, as ever, particularly curious about the position of the Liberal Democrats. They have so many that one is entitled to be curious about them. Let us take a look at one of them. At the 2005 Liberal Democrat party conference, the right hon. Member for Sheffield, Hallam (Mr. Clegg) proposed a conference motion, seconded by the hon. Member for Twickenham (Dr. Cable), no less, that stated the following:

"Any proposals which involve significant change in the relationship between the Union, the member states and its citizens should be approved in Britain through a referendum".

That is essentially what these amendments would accomplish, so it would be an act of extraordinary inconsistency if the right hon. and hon. Gentlemen did not support them, and if their colleagues in the Liberal Democrats did not do so, either.

Liberal Democrat spokesmen are well practised at explaining away extraordinary inconsistencies, so I look forward with interest to hearing what the hon. Member for Kingston and Surbiton (Mr. Davey) has to say.

Mr. Willis: Will the hon. Gentleman give way?

Mr. Francois: Right on cue, another one of them bobs up.

Mr. Willis: As we are talking about inconsistencies—and it is important to recognise that my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) will give a robust defence to the questions that the hon. Member for Rayleigh (Mr. Francois) has rightly posed—does the hon. Gentleman not find it inconsistent for the Conservative party to give a cast-iron guarantee about the Lisbon treaty and for it now to display this wriggling when talking about the future? He and his party gave a cast-iron guarantee that they would ensure that the people would be able to have a vote, but there is now no guarantee that if the Conservative party came into power it would do anything about the Lisbon treaty, the Maastricht treaty or any other piece of legislation. That is a betrayal of the British people and of the hon. Gentleman's party.

Mr. Francois: I think that that was more of a rant than an intervention. This is a guarantee that would be enshrined in statute, and that is why it would be so important. The hon. Gentleman knows full well that we campaigned for a referendum on the Lisbon treaty. We argued for that referendum in this House and we voted for it in this House. If the Liberal Democrats had kept to their manifesto promise, as we did, and had voted with us in the Lobby, there were enough Labour rebels to have delivered that referendum. The Liberal Democrats know what they did in abstaining on that point and in conspiring with the Government to prevent a referendum on Lisbon, so we shall take no lessons whatsoever from those on their Benches about desires for a referendum. Let me make that very clear.

Importantly, these amendments and the associated new clause seek to help restore the British people's trust in politics by ensuring that any future treaty that transfers powers to the European Union at the expense of the UK Parliament must be put to the British people in a referendum.

Mr. Hogg: One of the difficulties that will always arise is the question of how one compels a Government to do that. Does my hon. Friend agree that it is probably

[Mr. Hogg]

the case that if a Government refused to hold a referendum, a citizen could go to the courts under judicial review and get an order requiring the Government to do it? That is the safeguard, and it is a considerable one for the citizenry as a whole.

Mr. Francois: If a Government had enshrined in law the guarantee that any future transfer of powers in a treaty would be put to the British people in a referendum—if that had been put on the statute book—and if such a treaty was introduced and an individual felt that the Government were trying to wriggle out of their referendum commitments, that individual would have recourse to law in the courts. My right hon. and learned Friend makes an important point. That would help to give this amendment teeth and it is all the more important, therefore, to put it on the statute book.

Mr. Davey: Will the hon. Gentleman explain the difference between a statutory protection and a constitutional protection? It seems to me that a statutory protection such as that which he and his hon. Friends wish to introduce could be overturned by a Government, who could change the law. It therefore cannot be said to be enshrined and cannot be a lock, as he is trying to suggest.

Mr. Francois: Given what has happened in the past few years, if this provision were to be put into law and a Government attempted to remove the provision, I think that the British people's reaction would be very severe. I throw that question back to the hon. Gentleman, and I shall listen carefully to what he has to say in his speech. As we want to try to amend the law tonight, I want to hear him say that the Liberal Democrats support the amendment and that they will never seek to overturn it. I want to hear that from the Minister, too, given what has happened in our country in the last couple of years and given the need to restore public trust in politics. I always listen to speeches made by the hon. Member for Kingston and Surbiton very carefully, but I shall listen with especial care tonight to see whether he will give, on behalf of his party, a commitment that his party would support the amendment and, if it is passed, that they would never seek to overturn it.

Mr. Davey: Will the hon. Gentleman give way?

Mr. Francois: I have just given way to the hon. Gentleman, and I shall listen carefully to his speech. I hope that he, in turn, will give way to me.

If these amendments are not passed today—this brings me back to the earlier question asked from the Liberal Democrat Benches by the hon. Member for Harrogate and Knaresborough—an incoming Conservative Government would introduce their own legislation by amending the European Communities Act 1972 to ensure that this referendum lock is enshrined in law. Nevertheless, I commend the amendment to the House and hope that the Liberal Democrats and the Labour party will join us in voting for it, thus helping to restore, in some part at least, trust in politics among the British people.

Keith Vaz: I shall speak only briefly in this debate, because I know that any discussion on the European Union attracts a huge amount of interest, not just from the usual suspects but from those outside the House as it is, obviously, one of the most interesting aspects, in my view, of Government policy. I would like to see more debates on the European Union and much more scrutiny of such issues on the Floor of the House of Commons. I would also like to ensure that the European Scrutiny Committee can bring its reports to the Floor of the House on its own motion, allowing Members of the House to discuss the facts, as opposed to the myths, about the European Union.

I have some sympathy with the remarks of the shadow Minister for Europe, but we need clarity about what he means in respect of the transfer of powers. There is a consensus among all the parties in the House that we are better off in the European Union than outside it. I am not sure whether that applies to the hon. Member for Stone (Mr. Cash), but the Front-Bench teams of all political parties are united in the belief that the future of this country remains within the European Union.

In order to convince me to support him, because I am with the Government on the amendment, the hon. Member for Rayleigh (Mr. Francois) must tell us two things. First, who is to be the final arbiter of whether powers have been transferred? As with most things to do with Europe, facts are put to one side and the issue becomes a matter of opinion. The Conservative party takes a principled stand. It has said that the Lisbon treaty entails a massive transfer of powers, so there ought to be a referendum. The Government's position has been different. Their view is that the treaty is codifying, there are no new powers and therefore, in trying to tidy up and improve the operation of the European Union, there is no need for a referendum.

Mr. Hogg: May I suggest that the answer to the right hon. Gentleman's question is that in the first instance, it is a matter for a political decision whether the competences transferred are sufficient in scale to justify a referendum? But if the Government declined to hold a referendum, as I said in my intervention, a citizen could go to the courts. It would then be for the courts to determine whether the circumstances that have arisen within the treaty are sufficient to require a referendum. Ultimately, it would be a matter for the British courts.

Keith Vaz: That is an interesting point. I am not sure that we heard it necessarily from the Front Bench. I know that the right hon. and learned Gentleman, a most distinguished lawyer and Member of the House who, sadly, is standing down at the next election, has suggested a way forward, but I, as a representative of my constituents, would not want constant referrals to the courts or constant applications to the High Court and then to the new Supreme Court on the issue. That would paralyse Government policy. Whichever Government were in office, that would not be the best way of dealing efficiently with a matter of such importance.

Mr. Cash: I do not agree that the matter would be best dealt with by the courts, not least because of declaration 17, which is annexed to the Lisbon treaty. It gives guidance to the courts with regard to the question of primacy of European law not only over our laws, but over our law-making, our constitution and this Parliament. I have not the slightest interest in transferring to the Supreme Court of this country decisions on the question in that environment. We need a United Kingdom Parliamentary Sovereignty Bill such as I introduced only last week.

Keith Vaz: That is exactly the problem that we face: two distinguished lawyers, a Queen's Counsel and a former shadow Attorney-General for the Conservative party, disagreeing as to whether the courts should be involved. That is in a short debate in the House. One can imagine what would happen if every citizen had the right to make an application to the courts. Our court system would be log-jammed, the Government's policy would be held in abeyance, and the whole European Union would probably not be able to operate. That is why we have such a problem deciding what to do about the issue.

Mr. Leigh: The right hon. Gentleman is making a very good speech and I agree with much of it. The problem is to determine whether significant powers have been transferred. For instance, if Croatia joins, there may well be an accession treaty. It could be argued that some powers were being transferred. Ultimately, the matter will depend on the courts. We have no tradition in this country of a Supreme Court making political judgments. It could be very dangerous.

Keith Vaz: I agree. That is the problem with the solution on offer. We need to determine the circumstances in which a competent authority can say that powers have been transferred. For various reasons, party political points will always be made when we discuss Europe. I agree that there are divisions in all the major political parties. I am not sure that there are any divisions in the Liberal Democrat party on Europe, but there certainly are in the Labour party. There is a small minority in the Labour party who believe that we should not be in Europe at all, and I think that applies to the Conservative party as well. We need to find out, and the hon. Member for Rayleigh will convince me to support him, if he has a formula that will allow us to make that first decision.

7.45 pm

Mr. David Winnick (Walsall, North) (Lab): Is there a certain irony here? If the argument is that power from the House has been transferred in part to the EU—to some extent, obviously, it has—what would be the logic of transferring further powers from the House to the courts? That has not happened before and, in my view, as a humble Member of the House, would be totally unacceptable.

Keith Vaz: My hon. Friend is being very modest in describing himself as a humble Member of the House. He probably has more experience of the House than all of us put together, in terms of length of membership of the House. He is right—

Chris Bryant: He is not that old.

Keith Vaz: But he is that distinguished.

At the end of the day, we want to make the decision on the extent of the transfer of powers.

John Hemming (Birmingham, Yardley) (LD): On the question of how a decision is made, I have some sympathy with the proposal from the Conservatives, but they miss certain aspects. Perhaps we should develop a constitutional court to examine the issue and identify which legislation is constitutional in nature and should require a referendum for it to be changed.

Keith Vaz: I think the hon. Gentleman would find that the cry from the Benches would be, "Too many courts and too many lawyers already involved in these issues." It is a matter for Parliament and politicians to decide in the end. That is the problem that I have with the proposition from the hon. Member for Rayleigh.

Secondly, the hon. Gentleman did not answer the question that I put to him. Suppose we accepted his formula on the transfer of powers. We have had quite a few treaties in the past 20 years. We did not have a referendum on Maastricht. I am not sure whether the Conservative party has revisited its history and believes that we ought to have had a referendum on Maastricht.

I cannot hold the hon. Member for Rayleigh responsible because he was not in the House at that time, but the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) was in the Cabinet at that time—*[Interruption.]* He was a Minister of State. At any rate, he was in the Government. We did not have a referendum over Maastricht, and none of the other treaties that we have had in the past 20 years have come anywhere near the transfer of powers in that. If that treaty did not satisfy the criteria, how would any other treaty do so?

Mr. Cash: I instigated the Maastricht referendum campaign, which got more than 500,000 signatures on the petition to Parliament for such a referendum. Of course I believe that there should have been one. The Conservative party, apart from three Members, was united on the entire Lisbon treaty. As a consolidating treaty, that is more important than Maastricht because it takes the process of integration, plus primacy, so much further. It is a lethal treaty and should have been subject to a referendum. It is a disgrace that the Government did not hold one.

Keith Vaz: That is the principled view of the hon. Gentleman. He has always held that view, not just about the Lisbon treaty, but about every statutory instrument and every motion to do with Europe that has ever come before the House. It is always a disgrace, always the thin end of the wedge, and must therefore be opposed.

On my second point, I should like to know—if not now, perhaps later—how many of those treaties would have passed the test of the hon. Member for Rayleigh. I think he would find that on matters of opinion, quite a few treaties would have passed the test, which would have meant that the country was in a constant state of referendums. If we who were elected to the House pass every decision over to a referendum, there is no point in Parliament or in electing representatives.

My final point is a question: what are we doing in Europe anyway? I believe that the Conservative party is signed up to the concept of Europe, but of course its members have to oppose everything that the Government propose in that regard. That happens for a variety of reasons, but the fact that there is going to be a general election in the next few weeks means that the official Opposition cannot support the Government on anything but must show principled opposition to everything that the Government put forward.

That applies most of all to issues involving Europe, but even so I think that the Conservative party is pro-European. Should there be a Conservative victory at the next general election, there is no prospect that a

[Keith Vaz]

Conservative leader and Cabinet will say that Britain should come out of the EU. There will of course be a lot of mood music and many statements about being very tough with the Europeans in discussions and negotiations, but I have been in this House for 23 years and I know that every British Minister who goes to Brussels does so to speak on behalf of the British people and Parliament. That applies equally to my hon. Friend the current Minister for Europe. No Minister ever goes to Brussels or to the other European cities to hand power over to other people. That has never been the intention of any Government.

Mr. Denis MacShane (Rotherham) (Lab): Will my right hon. Friend give way?

Keith Vaz: I am happy to give way to one of my successors as Minister for Europe.

Mr. MacShane: I am grateful to my right hon. Friend. Does he agree that every previous Opposition party hoping to win power—the Conservatives in 1970 and 1979, and Labour in 1997—was on the whole pro-European? However, the huge difference now is that the Conservative party has broken off all relations with its sister right-wing parties in Europe. The mood music is important: the Conservatives are not going to pull out of the EU but, if they were ever to win power, they would destroy the chance of Britain—and especially British business—of having any real influence.

Keith Vaz: My right hon. Friend is absolutely right. He speaks with great authority, being the longest serving Europe Minister in the past 13 years. I do not know how many we have had in that time, but we have probably had about seven. However, I know that he is the longest serving—

Mr. Francois: I think that it is around a dozen.

Keith Vaz: But my right hon. Friend was the longest serving—

Chris Bryant: So far!

Keith Vaz: So far, absolutely. However, after his stunning performance at the Dispatch Box, I think that that the present Minister for Europe, my hon. Friend the Member for Rhondda (Chris Byrant), will definitely be promoted after the election—unless he can manage to do what some of us have always suggested, which is to ensure that the European portfolio is represented in the Cabinet. That would be the very best way to ensure that we scrutinise what is happening in Europe.

All the parties need to put their posturing to one side—that is, with the exception of the Liberal Democrats, who have always been very clear about where they stand on the European issue. That is why I believe that it would be a good idea for us to hold one referendum on the question of this country's membership of the EU. We should put the matter to the people once and for all. We have been in the EU for three decades, but let us just put the question to the people so that they can decide whether we should stay in or come out.

I know that the Foreign Secretary does not like that view, and that it is not shared by the Government, but some of us are so frustrated by the constant sniping about everything European that there may be no other way for the British people to make a final decision on Europe. Despite everything that the Conservative leader has said, I think that he will be sitting on the same platform as the Labour Prime Minister and the leader of the Liberal Democrats, saying that Britain's future is in the European Union.

It may be that the best way to deal with these European issues is to have better parliamentary scrutiny. I think that I remember Ministers making statements in this House about the need to have more European business on the Floor of the House so that it could be properly scrutinised. The problem is that such business is usually scheduled for Thursday afternoons when a one-line Whip is in operation, which means that attendance is very low. The only people who turn up are those of us who love coming to EU debates, and the Minister and the shadow Minister, who have to come to them.

Better parliamentary scrutiny of European matters would be a better way to deal with these great issues. I do not think that we should have constant referendums on them. That is not the way forward.

Mr. Shepherd: The right hon. Gentleman said that we should have a once-and-for-all referendum, but I remember what the late, lamented Peter Shore had to say about that. As long as there is an England, the issue will never be closed, as it is about national self-government. As long as this country remembers what it is about, the issue will always re-emerge. We govern ourselves.

Keith Vaz: That is absolutely right. Otherwise, what on earth are we doing here discussing these matters at 7.55 on a Tuesday evening? Of course we want to govern ourselves, but the British people ought to have an opportunity to say something about Europe. They have not been allowed to as yet, but people need to be able to position themselves as they wish.

Mr. Winnick: I am very pleased that my right hon. Friend has been so generous with his time, and I am intervening for the second time. I am someone who has modified his view about our membership of the EU. For many years, I have accepted that we belong inside it, and there is no doubt in my mind that coming out would be to Britain's disadvantage. However, my right hon. Friend is one of the most enthusiastic Members of the House of Commons when it comes to Britain's membership of the European Community. Does he agree that there is an obligation on the British Government of the day to see to it that excessive powers are not handed over to the EU? There is a great deal of disquiet among the British general public, and I believe that one reason for that is the feeling that we are losing power to the EU to such an extent that is becoming almost unacceptable. I differ with the hon. Member for Aldridge-Brownhills (Mr. Shepherd) about our membership of the EU, but he does have a point that cannot be overlooked.

Keith Vaz: My hon. Friend is absolutely right. That is why the official Opposition have brought these amendments before the House. The public are concerned, because they only ever get anti-Europe stories from the tabloid

press. Everything is blamed on the EU, but the public would feel differently if we had a fair press that respected discussions on Europe.

When a country signs a treaty as important as the one covering accession to the EU, it is signing up to some important principles. We said that we would work with EU colleagues and partners, and that is what we are doing. Of course there has to be some pooling of powers—that is the only way for accession to be accomplished—but there is no need for powers to be handed over wholesale.

My hon. Friend the Member for Walsall, North (Mr. Winnick) has been in this House much longer than I. Will he name any British Minister of the past 20 years, Conservative or Labour, who said that he was attending a meeting with EU counterparts because he wanted to hand over all sorts of powers that he did not believe that the British Parliament or Government ought to have?

Let us put the myths to one side and have a proper discussion and public debate on this issue. Until we do that, I am afraid that I cannot be convinced about the amendments that have been put forward.

Mr. Davey: I shall make it clear from the start—I hope this will put the hon. Member for Rayleigh (Mr. Francois) out of any pain—that we will not be supporting his amendments tonight. We will be voting against them, and I shall explain why.

Liberal Democrats support a referendum on Europe, but on Britain's membership of the EU and not on the legalese of any specific treaty. We believe that the British people want to be able to answer the in-out question, and that that is the sort of constitutional issue that is best put in a referendum. As the right hon. Member for Leicester, East (Keith Vaz) said, that is the right way forward.

Mr. Cash: Given what the leader of the Liberal Democrats has said about a proposed question, would the hon. Gentleman agree to a question such as, "Should the UK Government renegotiate the terms of its relationship within the EU?"? Yes or no?

Mr. Davey: No, because we need a clearer question about Britain's membership of the EU. I hope that that is helpful, but the fact that we would want a different question in the referendum is not the only reason for our opposition to the amendment. Another reason is that we think it is fatally flawed. As far as we can see, it would require a referendum on the transfer of any competence, however minor. That could lead to referendums on issues of policy that are relatively minor and which certainly have no real constitutional significance. That surely is an unsustainable position. I cannot believe that the right hon. and learned Member for Rushcliffe (Mr. Clarke) supports it, and I shall be interested to see whether he votes with his hon. Friend the Member for Rayleigh in the Lobby tonight. Neither can I believe that, in government, the Conservatives really would honour the amendment to the letter, because it is so fatally flawed.

8 pm

It may come as a surprise to find that the Conservatives wish to debate referendums. After all, they have had a rather embarrassing few months after the dropping of their cast-iron guarantee. That is why my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis), who is not in his place at the moment, was quite right to ask the hon. Gentleman whether he had a cast-iron guarantee for his proposal. He was not able to answer that, and I am not surprised.

The hon. Gentleman, as usual in these debates—there is always a bit of déjà vu to them—tried to tease the Liberal Democrats, but I remind him and the House that the Conservatives voted against the Liberal Democrat proposal on 14 November 2007 for a referendum on Britain's membership of the European Union. What is worse, they worked with the Labour party to stop this House even debating the proposition on 4 March 2008 about whether we should have a referendum on the in-out question. He says that he will not take lectures from us; likewise, I repeat that remark to him.

The Conservatives' voting record on referendums in this Parliament does not bear scrutiny. Their record on referendums in government is worth recalling, too, as the right hon. Member for Leicester, East (Keith Vaz) said. Did they offer a referendum on the single European treaty or Maastricht? No. The Liberal Democrats joined forces with the hon. Member for Stone (Mr. Cash) and argued for a referendum on the Maastricht treaty, because it really was of constitutional significance and it deserved a referendum.

Mr. Hogg: Will the hon. Gentleman help me in this respect? He has argued against the amendment on legalistic grounds, stating that "competence" is capable of extending to the trivial and the major. Assuming that one could resolve that issue by drafting, does he object in principle to subjecting to a referendum substantial transfers of competence?

Mr. Davey: As I said at the beginning of my remarks, we believe that there should be a referendum on the future of Britain's membership. There have been so many treaties over the past 20 years, as the right hon. Member for Leicester, East reminded us, and the British people have not had a referendum on any of them. It is therefore time to ask people the real question—the one that people say they want—about whether Britain should be a member of the European Union. That is the question people want to be asked, not a question about detailed aspects of a treaty.

Mr. Geoffrey Cox (Torridge and West Devon) (Con): Why does the one exclude the other? Why can we not have the referendum on the in-out question, and why should Liberal Democrats not agree to the idea that, when there are substantial transfers in future treaties, the British people are consulted?

Mr. Davey: We are saying that they should be consulted, but on a question on which we think they want to be consulted. The hon. Member for Rayleigh seems to want multiple referendums, and that is not sensible. We want a clear decision on the matter, but, although I agree with much of what the right hon. Member for Leicester, East said, I do not think it would settle the issue once and for all, as the hon. Member for Aldridge-Brownhills (Mr. Shepherd) rightly said. It would settle the matter for several decades, however, and many people in Britain have not had the chance to vote because they were not around for the previous referendum on Britain's membership of the European Community, as it then was. I therefore think they would like to have their say.

Mr. Shepherd: I am grateful to the hon. Gentleman for his remarks. Parties change their positions; I accept that. It was I who went to see Paddy Ashdown in February 1992, because I tabled the proposal for a referendum on Maastricht, which was Mrs. Thatcher's last vote in this House, as it happens. Paddy Ashdown had no difficulty in saying, "We Liberals believe in referendums and will support the referendum on the Maastricht treaty," but that was a particular treaty. We thought it contained considerable powers, and Paddy Ashdown gladly supported our proposal. Indeed, when the Maastricht treaty itself went to a vote after becoming a matter for legislation in the House, the Liberal Democrats took a robust position on it. The question was not, "In or out?"; it was on the specifics of a treaty. That was the point.

Mr. Davey: The hon. Gentleman has taken a principled stance on this issue over many years. At the time of the Maastricht debate, I was one of the backroom boys for the Liberal Democrats who worked on the treaty as it went through this House as legislation, and I remember the very night of the vote to which he refers. However, we have moved on from the Maastricht debate. There have been a number of other treaties—the Amsterdam, Nice and Lisbon treaties, in particular—and the mood of the British people has changed, so we must go beyond a treaty-based referendum.

Mr. Leigh: There is a suspicion, which I am sure is entirely cynical, that the Liberals take that stance because they think they can win a referendum on the in-out question, but would have lost one on the Lisbon treaty. That would be an entirely dishonourable position, so I am sure the hon. Gentleman can refute it.

Mr. Davey: Indeed. The real reason why the Conservatives want to debate referendums tonight, despite their embarrassment at dropping their cast-iron guarantee, is that they do not want to debate the real issues on Europe. They have very firm few positions, as we saw when we debated the substance of the Lisbon treaty.

I take the hon. Member for Rayleigh to task for the Conservatives' position on justice and home affairs, in particular. I shall not get into a detailed debate tonight, Mrs. Heal, because I am sure you would call me to order, but his party's leader has made it clear in public that the Conservatives want to take back competences on justice and home affairs—despite the successful work that is being done throughout Europe, particularly by Europol and Eurojust, and on the European arrest warrant. Serious crime is being tackled successfully. Drug trafficking, people trafficking, money laundering, terrorism and sex crimes of the worst kind are being successfully tackled through European co-operation, and the Conservatives' position is to remove Britain from that co-operation.

I shall try to take the proposal seriously, even though it is seriously flawed. The Minister may provide more definitive legal views on the matter, but I wonder what is meant by "competences". In explanatory notes to the amendment, the hon. Member for Rayleigh says that the competences would be supplementary, shared or exclusive competences. However, what is the meaning of "supplementary" in the European treaties? For the EU, a supplementary competence is one whereby

"the Union shall have competence to carry out actions"—

this is the important bit—

"to support, coordinate or supplement the actions of the Member States".

When we look at the EU's competences that fit the definition of "supplementary", we find some very interesting ones. Under the hon. Gentleman's proposal, we would have referendums on transferring supplementary competences on culture, tourism and administrative co-operation. The Conservatives want a referendum on the bulk purchasing of paper clips. That is nonsense. It does not stand up to any serious scrutiny, and I do not believe that if they were in government, they would put forward this proposal. That is why the hon. Gentleman could not answer my hon. Friend the Member for Harrogate and Knaresborough. The proposal is absolutely ludicrous.

Mr. Shepherd: Will the hon. Gentleman give way?

Mr. Davey: No, not yet. The Conservatives seem to want to commit us to referendums on almost any conceivable European treaty, however insignificant, but there are other serious problems with the amendment.

The hon. Member for Rayleigh was present for the debates about the legislation on Lisbon, so he knows that there are other ways to amend treaties now. Indeed, those measures were part of the Lisbon treaty and one reason why he objected to it. One new procedure for amending treaties is the ordinary revision procedure, and, from the Library briefing, I understand that one could transfer competence from member states to the European Union using that procedure, not just through a treaty. The legal position in UK law is that if that were to happen, there would have to be an Act of Parliament. I am interested to know what the Conservative position is. If there were a competence transfer through the ordinary revision procedure, would that, in Conservative thinking, require a referendum? That would be a very interesting development that is not dealt with by the amendment. Perhaps the hon. Gentleman will be able to explain it.

The key problem with the Conservative amendment is that it shows no understanding of how decisions are taken in Europe. It puts together all types of competences, whether they are relatively minor or major, or exclusive or supplementary. Let me take as an example the Lisbon treaty and justice and home affairs. Pre-Lisbon, the EU had competence in pretty much all the aspects of justice and home affairs policy that it has today. The Lisbon treaty did not change the competences; it merely moved them from the intergovernmental arena to the Community method of decision making. For example, there was the transition of the European arrest warrant from an intergovernmental decision to a Community method decision. It was not the transfer of competences that annoyed many Conservatives in relation to the Lisbon treaty, but the decision-making process, so the referendum that is being offered would not deal with many of the problems that Conservative Members have been worried about over recent weeks and months. The fact that the EU has competence in an area does not tell us about the powers or scope of the EU institutions in that area. The Tory amendment is totally silent on that.

This proposal is so utterly flawed that it should not even be supported by the hon. Gentleman's colleagues on the Back Benches. It would not do what they want,

and it is so bizarre that it would cause any incoming Conservative Government huge problems. I am convinced that the right hon. and learned Member for Rushcliffe will not vote for it. After all, he said that some Eurosceptics would have a referendum on a comma, and it appears that that is absolutely the case among those on the Conservative Front Bench. My colleagues and I will vote against the Conservative proposition, but we will be arguing in the country for a new European referendum—a referendum that people want on Britain's future membership of the European Union.

Mr. MacShane: It is pleasure to follow the hon. Member for Kingston and Surbiton (Mr. Davey), who, to my satisfaction, demolished the Conservatives' amendment, as well as the amendment to their amendment that they had to rush out because the original was so incompetently drafted. When the hon. Member for Mid-Sussex (Mr. Soames) asked for a definition of "competences", he put his finger precisely on the problem, but he then very sensibly disappeared for dinner because no answer was available.

Some right hon. and hon. Gentlemen have said, "Let the courts decide"; others have said, "Let a plebiscite be the way forward." I am here to defend Parliament, which is where I part company from the hon. Member for Kingston and Surbiton, with his demand for a "one big bang" referendum that would decide things once and for all, but no other referendums. He is rather like somebody who wants to lose his virginity, but only once.

On the notion that there is a final referendum that will decide this matter once and for all, I have to part company with my right hon. Friend the Member for Leicester, East (Keith Vaz)—my distinguished predecessor as Minister for Europe. I ask the House to have confidence in its abilities instead of surrendering to the populist passions of plebiscites. We tried that in 1975; it settled nothing. The hon. Member for Aldridge-Brownhills (Mr. Shepherd) is absolutely right: far from settling the European question, it opened a Pandora's box out of which, to paraphrase Ernie Bevin, many Trojan horses jumped. That left the Labour party in considerable disarray for nearly a generation until common sense prevailed.

8.15 pm

When we talk about the European Union, of what are we speaking? It is a confederation of 27 member states. It takes, collectively, 1 per cent. of Europe's gross national income—the other 99 per cent. is raised, spent, distributed, taxed and allocated according to the 27 national sovereign states of Europe. Of that 1 per cent., roughly 85 per cent. comes back in the form of agricultural, structural and regional payments to the national Governments. If we did not have a common agricultural policy, we would need a BAP, a British agricultural policy; a FAP, a French agricultural policy; and a PAP, a Polish agricultural policy. I am not going to list all 27.

Chris Bryant: Go on—if you can remember them.

Mr. MacShane: I even know all the capitals, which is more than many Europe Ministers past and present can deliver.

No more than about 10 per cent. of the laws that we decide in this House emanate from the EU; the Library has researched this time and again. That puts the whole thing in some perspective.

The amendment is an invitation to make good the lost honour of the Leader of the Opposition, who said beyond peradventure to his party that there would be a referendum on the Lisbon treaty—he offered it a cast-iron pledge, or girdle, and an ultimate guarantee—and then reneged on it. That was a jolly good thing, because no adult party that contemplates power in this country can be going down the road of wanting to unravel the major treaties that bind us together in the European Union.

Mr. Leigh: The right hon. Gentleman is being disingenuous if he is suggesting that only 1 per cent. of the powers of this country are held by the European Union. He is perfectly entitled to be fiercely and passionately pro-European, but he must not continue to argue that this is somehow a side issue. It is a matter of vital national importance, and we should have a serious debate about it.

Mr. MacShane: The hon. Gentleman is Chairman of the Public Accounts Committee. I referred to 1 per cent. of Europe's gross national income—income is not law. If he, of all the right hon. and hon. Gentlemen in this House, does not know how small a percentage of Europe's gross national income the EU takes and how much is redistributed back to this country to disappear into agricultural, structural and regional funds, then how does he expect those in his constituency or the wider public to know that, given the constant disinformation that they are fed by our press on this matter?

I revert to the lost honour of the Leader of the Opposition and his cast-iron pledge, which he tossed away gaily in a press release a few weeks ago. That is a matter for the Conservative party—what worries me is the fact that it is in the vital interests of Britain, British business and other institutions that we engage fully in the European Union. For the first time in our history, we have a party knocking on the door of power that has gone out of its way to oppose, denigrate and show contempt for our alliance and partnership and the good work that we do with the EU. We heard that in the tone of the hon. Member for Rayleigh (Mr. Francois).

Bob Spink (Castle Point) (Ind) *rose—*

Mr. MacShane: I give way to an hon. Member who has rediscovered the virtue of honesty as representing the UK Independence party.

Bob Spink: I am grateful to the right hon. Gentleman, but I am an independent MP, not a UKIP MP, as he well knows.

I cannot attempt in any way to defend the honour of the leader of the Conservative party, who made a cast-iron guarantee, has reneged on it and will suffer very badly because of it. With every promise that he makes in the lead-up to the next election, he will be asked, "Is that a cast-iron guarantee you are giving this time?" The public will not trust him on it. However, how can we expect the public to return to trusting the House if we will not listen to and trust the public? Why does the right hon. Member for Rotherham (Mr. MacShane) not want to

[Bob Spink]

listen to the public, ask them what they want, give them a plebiscite and follow what they want to do? Does he really believe that he knows better than the majority of British people?

Mr. MacShane: I apologise for insinuating that the hon. Gentleman was still a member of UKIP. He has "re-ratted", to quote Winston Churchill, and is now sitting somewhere else. I heard the leader of UKIP, the noble Lord Pearson, say the other week in a meeting of British and Swiss parliamentarians that he would deny the Conservative party as many seats as possible in the forthcoming election. As a by-the-way, it was fascinating to hear the Swiss parliamentarians explain how now they had to bring—

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. The right hon. Gentleman may have a captive audience, but I really do think that he is going a little bit wide of the amendment.

Mr. MacShane: Well, we are debating referendums, and there is no country keener on referendums than Switzerland.

Michael Fabricant (Lichfield) (Con): Referenda.

Mr. MacShane: Referendums. It is a gerund.

Michael Fabricant: It is a gerundive.

Mr. MacShane: It is a gerund. Keep your hair on.

The point that Swiss colleagues made was that, more and more, their laws have to conform with the EU's. *[Interruption.]* Okay, I have finished the Swiss example and I shall return to the point that the hon. Member for Castle Point (Bob Spink) put to me. I am here to defend parliamentary supremacy, sovereignty and democracy. I do not like surrendering to plebiscites. As Margaret Thatcher said, they are a device invented by demagogues and applied by dictators.

Mr. Cash *rose—*

Mr. MacShane: The hon. Gentleman is not a dictator. Is he a demagogue? Let us find out.

Mr. Cash: I simply want to ask my old combatant on these matters whether, given what he has just said, he agrees with my United Kingdom Parliamentary Sovereignty Bill, which was introduced last week. It would give him everything that he has just asked for.

Mr. MacShane: It is to the honour of our Parliament that since 1945, under different Administrations, we have initiated negotiations for more international treaties than in the previous 500 years of British history. I am aware of the treaty of London of 1604, which settled the big disputes with Spain that had bedevilled relationships in the 16th century. The glory of Britain is that it has sought to weave a sometimes tangled and messy web, but a web none the less, of international law that can bind together nations with great differences.

What we heard from the Conservative Front Bench tonight was the authentic voice of those deep south Senators who rejected the treaty of Versailles and of those who have rejected the proposals for an effective, binding Kyoto and then second Kyoto treaty. What the Conservatives propose is to stop dead in its tracks any future advance that would allow Britain to exercise some say over the destiny of our common continent through the mechanism of limited shared sovereignty.

I hope that our friends in Croatia hear this debate, because the Conservatives are saying that there would have to be a referendum on any accession treaty for Croatia. They are certainly saying that if Turkey can meet the criteria for joining the EU, as I hope, there would have to be a referendum on that accession treaty. That is another debate, but I put it to the Conservative party, which I believe is sincere on the Turkish question at any rate, that I would not wish to unleash in Britain a plebiscite about a majority Muslim country joining the EU.

Mr. Peter Bone (Wellingborough) (Con): Why not?

Mr. MacShane: Because I am afraid the one iron law of all referendums is that whatever the question on the ballot paper, people answer a different one. That is what we have seen since plebiscites were introduced into constitutional theory by Napoleon III. They were advanced under the Third Reich and have been used again and again principally to promote reactionary nationalist and populist politics.

Mr. Shepherd: In the right hon. Gentleman's defence of the sovereignty of Parliament, does he not recognise that if Parliament becomes so disconnected from those who send us here, its sovereignty, which has been a bastion of our liberal interpretation of our liberty, in fact becomes the greatest tyranny, and that what this House imposes without reference to the public disconnects it from the public, and undermines the very constitutional search that we have undergone to become a free and democratic people?

Mr. MacShane: The point that the hon. Gentleman makes with restrained passion—we have all sat metaphorically at his feet in many debates on this issue—is precisely that this House is a cockpit of checks and balances. This House is tested every four or five years in a general election, and the public can throw us out. That is the connection. The notion that we should replace the sovereignty of the British people acting through elected representatives with plebiscite or referendums is false. In the one country that frequently uses that device—Switzerland—we see the lowest turnout for parliamentary, cantonal and local elections of any country in Europe, and a very low turnout in referendums.

Mr. Cash *rose—*

Mr. Andrew Tyrie (Chichester) (Con) *rose—*

Mr. MacShane: I will give way to a freshman, as it were, in this debate.

Mr. Tyrie: A moment ago, the right hon. Gentleman appeared to say that it was not worth holding referendums because people would answer a question other than the one on the ballot paper. In that case, why has he served

in a Government who have had four referendums in the past 13 years? What support could he possibly offer them?

Mr. MacShane: The hon. Gentleman makes a very good point. Frankly, I found that most of those four referendums—they set up the Welsh, Scottish, Irish and London assemblies—were probably, in truth, not necessary. I would give way to hon. Gentlemen from Scotland and Northern Ireland if they wanted to answer this question: would the Scottish Parliament and what we have in Northern Ireland have less legitimacy if this Parliament had created them? I invite them to comment, but my point remains.

I was not comfortable with those referendums. I profoundly believe that Parliament is where we should settle the matters that determine our nation's future, and then the people can change the Parliament under the laws of this land.

Mr. Cash *rose—*

Mr. MacShane: I will give way for a final time, because I really must conclude my speech.

Mr. Cash: First, did the right hon. Gentleman reject the idea of a referendum in his election manifesto in 2005, when referendums were being discussed in relation to the constitutional treaty? Secondly, I remind him that we cannot have a referendum except by using the sovereignty of Parliament. Parliament decides—genuinely and with humility—that some questions need to be dealt with by the people at large, simply because, as in 1975, there is a genuine reason for doing so. The Lisbon treaty and the current state of affairs are of that order.

Mr. MacShane: The hon. Gentleman makes a perfectly fair point. Of course, Parliament can decide to have referendums on everything. The hon. Member for Kingston and Surbiton adequately demolished the redrafted Conservative proposal that would open the way for anybody to go to court to demand a referendum, as the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) suggested.

I have sat in this House while the Conservatives opposed the European arrest warrant with a great deal of vigour and energy. Doubtless they would have liked a referendum on that, and it might not have been implemented, in which case some of our terrorist gentlemen would have escaped being shipped back fast to face justice in our courts. Certainly, the Conservatives vehemently opposed the bits of the European Union—they were in a treaty but given effect by European Council decisions—that deal with European defence. I am sure that they would have loved a referendum on those matters, as would *The Sun*, the *Daily Mail* and *The Daily Telegraph*, and they might well have been defeated. Talk to any partner or ally—such as the State department in the US or their army generals—and they all think that the development of strategic thinking and policy at the European level is a very positive step.

8.30 pm

I politely ask that we uphold the sovereignty of Parliament. Hon. Members should wean themselves off the notion that plebiscites are somehow an adequate replacement for Parliament. Tonight we vote to reject the obsessive anti-European tone emanating from all those on the Conservative Front Bench, even if it does not go as far as the hon. Members for Stone (Mr. Cash) and for Shipley (Philip Davies), and the Better Off Out Group and the rest of them. We should say no to these ill thought out amendments, no to the amendment to the amendment, and no to the contempt that the Leader of the Opposition has shown by withdrawing his pledge for a referendum. We should say yes—as I have argued in my party with my right hon. Friend the Member for Leicester, East, who is no longer in his place—to restoring the power and sovereignty of this House and begin to bring politics back to life in this country.

Michael Fabricant: On a point of order, Mrs. Heal. The right hon. Member for Rotherham (Mr. MacShane) may have inadvertently misled the House earlier, and I am sure that he would wish to retract that. As the word "referendum" means "things to be referred", according to the "Oxford English Dictionary", it is indeed a gerundive and therefore the plural should be "referenda". "Referendums" is acceptable in modern usage, though wrong.

Hon. Members: Withdraw!

The First Deputy Chairman: Order. That is certainly not a point of order for the Chair, although it may well be a point of grammar.

Mr. Cash: There is an expression—I hope that I do not offend the proprieties of the House by giving it in Latin—that says, "Timeo Danaos et dona ferentes," and means, "I fear the Greeks and those who bear gifts." I am extremely gladdened by any faltering steps towards re-establishing the position on the referendum. I do not wish to undo the idea of having a referendum on any matter relating to the European Union. But as I have already indicated—and because I will not look a gift horse in the mouth—I understand the position of my hon. Friend the Member for Rayleigh (Mr. Francois). I repeat, simply and quickly, that we should have had a referendum on the Lisbon treaty.

For all the reasons that I have explained publicly for some months now, I do not buy the argument that the treaties have disappeared. As we all know, we have been discussing treaties for the last few hours. The fact is that the treaties remain part of the schedules and annexes to the European Communities Act 1972, and the position in law—and politically—is that we implement those treaties. It is the law as implemented by this House that represents those treaties, word for word. One of my problems with that is that the world moves on, and world and domestic politics evolve, but we are locked in to legislation that cannot be changed except by the unanimous agreement of 27 member states—and that is a form of political and economic suicide. It is a ridiculous position for us to be in, and I therefore agree that we should have a referendum on any future extensions of competence, but we should also have a referendum on the consolidating Lisbon treaty.

In parallel to that, however, runs another point, on which it is surprising that the right hon. Member for Rotherham (Mr. MacShane) and I should agree—although I am not sure whether he would agree with the content of my private Member's Bill relating to the principle of United Kingdom parliamentary sovereignty. As I have just said, however, if we are to have a referendum, it

[Mr. Cash]

must be endorsed by Parliament in the first place. I do not see any problem or irreconcilability, therefore, between a referendum on the one hand and the sovereignty of the people on the other.

I would go further. I have the honour of being a member of what I believe to be a very distinguished group of radical reformers—although we might prefer more radicalism than we are being offered under the guise of the Wright Committee—entitled Parliament First. I have suggested—I hope that one day we will take this up—that we be called People and Parliament First. That touches on the essence of what I have to say today. The Labour party held a referendum in 1975. It is no good saying, "Well, that was a long time ago." In reality, of the present population, including those not yet able to vote, about two thirds have effectively been denied a referendum since 1975. I concede that that was an in-or-out referendum. However, it would make sense to hold another one, as a step towards injecting some rational argument into this subject, and the question should be, "Should the United Kingdom renegotiate its relationship with the European Union, within the European Union?"

The bottom line is that we are a member of a club. I happen to believe in an association of nation states, so I am extremely glad that my right hon. Friend the Member for Witney (Mr. Cameron) has recently been referring to such an association of member states. In essence, each country has to preserve its own sovereignty, and ours must do so in line with the White Paper way back in 1970-71, which said that we must retain the veto not only to maintain our vital national interests, but to preserve the fabric of the Community itself.

We speak about maintaining the fabric of the European Community, which is now the European Union, but I remind the Minister for Europe and the right hon. Member for Rotherham that if we do not maintain the democratic safety valve of enabling people to express their views, with the ever deepening critical mass of integration and the consequent black hole, I fear that, given the levels of unemployment—I said this in the early 1990s—this country, and Europe, will see, under the stresses of financial crisis and high unemployment, what I predicted in those days would be the rise of the far right.

Next to my constituency, on the other side of the A34 in Trentham, the British National party is now on the march. Indeed, the hon. Member for Stoke-on-Trent, South (Mr. Flello) was on local radio only last week talking about it. I am simply saying that the rise of the far right is associated with the failure of the democratic deficit. That comes from the critical mass created by European integration without the safety valve either of a referendum or the kind of freedoms that the people of this country want. The net result has been the creation of serious social and immigration problems, which I shall talk about in a moment.

Mr. Hogg: I would like to hear my hon. Friend's view on one thing. It is plain that he is resting his argument at least in part on the fact that a generation of citizens has grown up that has not had an opportunity to express a view on the European Union. The question in my mind is this: is he suggesting that after every 25 years or so, each generation should readdress the issue of our membership, or would he be content to accept a verdict expressed next year?

Mr. Cash: If it was the right question, I could be prepared to accept an answer to it, certainly for my lifetime—that is as much as I can offer, I am afraid. However, that is not something that has ever been on offer. Let us look at, for instance, the progression from 1972 to the Single European Act.

I admit that I voted for that Act—I have regretted it since, for a number of essentially practical reasons, not because I did not want to remove a logjam in European commercial affairs, because I agreed with that—but when it was going through I tabled an amendment that said "Nothing in this Act shall derogate from the sovereignty of the United Kingdom Parliament". As I mentioned in a debate last week, I was refused the opportunity to debate that amendment. However, in the past three or four years, the House authorities and the Speaker have taken a different view. My supremacy or sovereignty of Parliament amendments to three or four Bills have been adopted by my right hon. Friend the Member for Witney. I have tabled and moved them, and many of my hon. Friends have supported me. Furthermore, my right hon. Friend has not only endorsed those amendments, but whipped them and asked me to put in Tellers on behalf of our Front Bench.

I regard that as extremely important, particularly with regard to the Legislative and Regulatory Reform Act 2006, because my amendments would have meant the removal of burdens on small businesses, which, if we repatriate sensibly, is the means whereby we will be able to ensure the growth in this country that we desperately need to fill the monstrous gap in the public finances from which we are now suffering, with a net debt, in my judgment and that of my right hon. Friend the Member for Wokingham (Mr. Redwood) and others, of £3.5 trillion.

Mr. Bone: Is my hon. Friend not making the case that we on the Conservative Benches are absolutely united on that issue, compared with the divisions on the Labour Benches, and that we are ready for government?

Mr. Cash: I could not agree more. The proposals for my sovereignty Bill follow on from the extremely sensible judgments made by my right hon. Friend the Member for Witney on my sovereignty amendments. As I will explain, I believe that we will have to ensure that we have a sovereignty Bill that really works—and, furthermore, not half a cup of sovereignty. Under all the provisions of constitutional law in this country—they are very clear, and they include the judgments of Lord Denning, Lord Diplock, Lord Justice Laws and Lord Bridge; the jurists of this country, including the House of Lords as it was, have all said this too—we have the right in this House, on behalf of the people and for the sovereignty of this country and of this Parliament, to pass legislation inconsistent with the European Communities Act 1972 or any laws implemented under it. We have the right to override those laws, providing that any such legislation is crystal clear, and expressly inconsistent with them.

That is the law of this country. As I mentioned in an intervention on the right hon. Member for Leicester, East (Keith Vaz), the problem with the Lisbon treaty and the annex to it is that, with regard to the case law of

the European Union—and therefore the European Court of Justice—the primacy set out in declaration 17, which is quite explicit, constitutes guidance to our courts, including the Supreme Court, that we should apply the Handelsgesellschaft, the Costa *v.* ENEL and the Van Gend en Loos cases, which assert that all the laws that are made in Europe must apply to us, and also to our law-making processes and our constitution, including Parliament.

8.45 pm

For all those reasons—to go back to the reference in clause 24—this is a critical moment at which to examine not only the transfer of further competences but the competences that have already been passed, and that do not work. For they do not work; that is the problem. Had my sovereignty amendment to the Single European Act been accepted, when we had a full majority in 1986, we would not have had the working time directive or the recent financial services debacle, which is threatening the City of London. I have spoken on that in the past and do not need to repeat my argument. I believe that we are seriously at risk of losing 15 to 20 per cent. of our gross domestic product as a result of handing over the running of the City of London to the banking supervisory authorities and the new financial services arrangements in Europe. That could have been prevented if we had retained the veto by passing the amendment that I proposed in 1986.

There are issues to do with immigration, over-regulation, energy and the common agricultural policy. According to TaxPayers' Alliance, £2,000 for every man, woman and child is paid over every year to the European Union. We have to pay out a rebate of £6 billion per annum. There are defence questions, too. Yesterday I was debating Afghanistan and Europol, and the fact is that Europol does not work. We had a very interesting debate on the subject in a European Committee. As well as all those reasons, there is the fact that we need to restore growth in this country.

The right hon. Member for Rotherham is completely wrong in suggesting that only 10 per cent. of legislation comes from Europe. The bottom line is that it is at least 70 per cent. President Herzog of Germany said that it was 80 per cent. in Germany.

For all those reasons, plus the passerelle provisions—again, that is an issue into which I do not need to go into detail—we are losing, and have lost, so much control that we have to go back into the legislative process and rebuild our abilities through a sovereignty of Parliament Bill. That way, as my right hon. Friend the Member for Witney has said, we can reverse those competences—that is, future and present competences; we have to reverse both. We have to ensure that the courts of the United Kingdom will do that, notwithstanding the European Communities Act 1972; that is what my Bill will provide for.

In the most recent opinion poll, 72 per cent. of the British people say that in the national interest we should break European law. They also say, by a margin of 70 per cent., that they want an association of nation states. Some 88 per cent. want a referendum on the present situation, not to mention any future competences. For all those reasons, we have to stop the invasion of our constitution, and of the nooks and crannies. We have to have a realistic policy on the European Union. We need a policy that returns power to the people of this country, which is what they want—what they have demanded in successive opinion polls for the past 10 or 12 years.

For all those reasons, I am prepared to accept the idea of having a referendum for the future and for future competences, but that goes nowhere near far enough towards establishing the position that we need to secure for the people of this country. That means that we have to revisit the arrangements to produce an association of nation states. France and Germany will fight that, but as I have said in the past, I believe that we should take the lead, as we have done in successive generations on matters relating to Europe in different contexts. We face problems under the European integration process, which has a deleterious effect on our economy and on Europe as a whole; there is the prospect of implosion, which will do nobody any good. I would simply argue that we have to revisit and repatriate the powers that I have mentioned, not for ideological reasons but for practical common-sense reasons, to ensure that the British people can govern themselves.

We would certainly win the next general election if we had a UK sovereignty Bill along the lines that I am proposing. It is there on the Order Paper; I referred to it only last week. We would then get the support of the people of this country—without engaging in an unnecessary debate about whether we should be in or out—for getting the balance right and ensuring that we had political co-operation and trade, but not European government. That is the objective, and that is what we should seek to do. In my view, that would ensure that we won the next general election with a massive majority.

Mr. Cox: I shall take just a short time to defend from multiple attacks this modest, moderate and practical measure offered by my hon. Friend the Member for Rayleigh (Mr. Francois). Some of the positions that have been articulated today by Labour Members—and, indeed, by Liberal Democrats—are almost impossible to comprehend. What conceivable objection can there be to offering the people of this country the opportunity to be consulted directly through their vote on a treaty that transfers substantial powers to the European Union?

Chris Bryant: It does not say that.

Mr. Cox: Hon. Members are saying that the provision does not say that. It is a matter of interpretation. In my judgment, if the matter were taken to court, it is inconceivable that a judge would conclude that some minor transfer would trigger this provision, as the hon. Member for Kingston and Surbiton (Mr. Davey) attempted to suggest. But let us suppose that it did. What we should be seeing today is not the Liberal Democrats making some footling technical point about the amendment's drafting, but a constructive, helpful suggestion from them on how it might be improved. If they genuinely believe in consultative democracy for the people we represent, and if they really think that a referendum on European treaties would be a good thing, they should be tabling their own amendments and walking through the Lobby in support of the Conservative party.

Instead, however, the Liberal Democrats have produced a position that they believe will please an electorate to whom they have to appeal, as they so often do. They

[Mr. Cox]

know that the electorate to whom they have to appeal throughout the south-west—and in the constituency that I have the honour to represent—are profoundly Eurosceptic. Through the smokescreen of a generalised referendum on membership of the European Union, they hope to persuade those Eurosceptic people, who have otherwise broadly liberal tendencies, that they can offer them one thing while doing another. That is discreditable and cynical, but the reality is that it is what we have come to expect from that party.

Let us concentrate on this measure. What conceivable objection could there be to providing the people of this country with a say on a treaty that transfers power to the European Union? Let us examine the objections that have been made here this afternoon. The right hon. Member for Leicester, East (Keith Vaz), who has just returned to his place, contended that this would result in multiple referendums. Yes, every few years, if there were additional treaties that transferred substantial powers, the people of this country would be offered the opportunity of a consultation. What is wrong with that?

The measure would not result in multiple referendums. There would be a referendum every few years, and perhaps that would induce genuine caution in the politicians of the European Union before they created more treaties that transferred endless new powers and competences to distant institutions with which the people of this country feel no direct democratic connection. Perhaps those referendums would induce a welcome caution, as the peoples of the European Union—and specifically the British people—were offered the opportunity of a consultation and given their say. Perhaps they would provide a salutary lesson on introducing treaty after treaty while the people of this country—passive spectators—have to watch while the likes of the right hon. Member for Rotherham (Mr. MacShane) play games with, and make party political points about, the powers, privileges and inherent rights of Parliament.

There was a piquant and poignant irony, I say to the Committee, in the position of the right hon. Gentleman. I have to say that it was an extraordinary spectacle to observe him defend parliamentary supremacy so that he could the more easier give it up; and to defend parliamentary sovereignty so that he did not have to submit the consistent surrender of the powers of this House to the people of this country. What an extraordinary irony, if there is anybody watching at this late hour, would be created in the minds of the interested spectator at the thought of the right hon. Gentleman standing up for the rights of Parliament and standing up for the sovereignty of Parliament—he, a member of a Government who have consistently undermined, corroded and eroded it for the last 12 years; a member of a Government who have consistently treated Parliament with disdain, contempt and scorn since the moment they came into power on a benighted day in May 1997. Let me say to the Committee that no more amusing, ironic and exquisite moment have I experienced in my short time here than in hearing the speeches of the right hon. Gentleman in defence of parliamentary sovereignty.

There is a serious point here, Mrs. Heal—yes, there is, although if you listened to the right hon. Member for Rotherham, who I regret is not in his place, you would not think that anything serious was ever discussed on this subject in this House. Over the past 12 months it might have dawned on us, and the penny might have dropped, that the people of this country have stopped trusting us. They do not trust us any more in this House. They do not think that we stand up and defend the prerogatives of this House as we ought, and so the time has come when they are demanding a direct consultation on the surrender of the prerogatives and rights of this House. I, for one, agree that if one stood by the Diceyan purity of the peculiarly British notion of parliamentary sovereignty that the right hon. Gentleman was astonishingly defending, the referendum would be undesirable. If the House had stood tall and proud over the last 12 years—and, I make no bones about it, over the years preceding that—and resisted the encroachment of the Executive, and if it had stood up for the rights of the people of this country, I have no doubt that the people would be content to trust us as they were 50 years ago, but they are not. The last 12 months have further corroded and undermined that trust.

The measure that my hon. Friend the Member for Rayleigh is proposing is a modest, practical measure, designed to assure the people of this country—goodness knows, are they not entitled to that assurance?—that the Members of this House will have the humility to submit to them any further transfer of power to the European Union. I say that that is a perfectly honourable, proper, prudent, measured and appropriate proposal.

The games played today make no commendable reflection on this Committee. I do not say that Government Members are not right to conclude or say that in relation to previous treaties, the Conservative party was not in favour of referendums, but the position has changed. The country is less trusting of us in the House. The country wants its say. If any people have been listening in or watching this debate this evening, they will have concluded with bafflement and bewilderment, "Don't they get it? Don't they really understand, even after the last 12 months?" This institution in which we have the enormous privilege of sitting to represent those people has fallen on hard times. The measure before us would provide a contract with the people of our country by, in effect, saying to them, "If we propose again to part in any substantial measure with any of the precious accumulation of power and privilege that over generations and centuries you have entrusted to this Parliament, we must not only debate that in this narrow Chamber, but we must take it to you, the country. We must submit it to your ultimate jurisdiction, and we must ask you whether you approve."

9 pm

I say that that is a good thing. It may not conform to the 19th century notion of parliamentary sovereignty, but the Labour party abandoned that long ago. It abandoned it through the Human Rights Act 1998, and it has abandoned it consistently time after time when it has acceded to European Union treaties. Sadly, that notion of parliamentary sovereignty is shot to pieces, therefore, which is why it made for such exquisite irony to listen to the right hon. Member for Rotherham defend it and offer it as the basis of his attack on this measure.

Parliamentary sovereignty will now only be defended with confidence by the people of this country. That is what the public are now concluding, and this is a proper

measure that the House should pass. It is not a difficult thing to do. I do not see why pro-European Labour Members such as the right hon. Gentleman should oppose it. Why should we not adopt an approach that is more like that of our continental European partners and Ireland, who grant referendums on such surrenders of constitutional power?

I find the Liberal Democrats' position utterly bemusing. I do not think they really believe in it. At one point, they seemed to suggest that if we had a constitutional court and a written constitution, they might accept the direct referral of a new treaty to a plebiscite, but this proposal is no different from that. We do not have a written constitution, although some of us believe we should start to consider whether we should have one, but this measure would become a norm, much as five-year Parliaments have become the norm. They are not enshrined in a written constitution, but can anybody seriously doubt that if a Prime Minister or Government were to attempt to extend their life by statutory enactment, that would cause uproar throughout the country? Similarly, if we enshrine this measure in the Bill and it is passed by this House, it will become a constitutional norm—a norm that no Government would risk ever denying or ignoring. It will become, as my hon. Friend the Member for Rayleigh described it, a lock in the hearts of the British people. They will see it as a right that this House has conveyed to them, and they will defend it at the political cost and peril of any Government who seek to ignore it.

I commend to the House this modest measure. It is not the "in or out" referendum that the Liberal Democrats want—apparently—or that my hon. Friend the Member for Stone (Mr. Cash) wants. Indeed, I say to myself that I look forward to a time when it may be that we have to have such a plebiscite in order to help clear the air, but if we chose to remain inside the EU that does not mean that we should not have democratic consultations by way of referendums in the event of treaties that surrendered further power. The one does not exclude the other, and the time has come for this House to have the humility to accept that it is the people of this country who should decide in future on whether further powers are transferred to a European Union, in which they do not possess confidence, and in whose democratic credentials they have no faith.

Mr. Hogg: It is difficult to follow that contribution, so I shall not try to do so; I shall follow the example of my hon. Friend the Member for Rayleigh (Mr. Francois), who was wonderfully brief—on the whole, I endorse that example.

We should go back to first principles and ask ourselves the following question: what is a transfer of competence? It is, in fact, a diminution of sovereignty; although people say that it is shared sovereignty, that is a different way of saying that it is a diminution of sovereignty. As a matter of general principle, if one wishes to diminish sovereignty, one should consult the people whose sovereignty one holds in one's hands—that means the electorate. I agree that we have often not observed that principle. I am the first to admit that we did not observe it over the Maastricht treaty and we should have done—looking back, that was an error. We did observe it with regard to devolution, which is a case in point. We consulted the electorate in Scotland and in Wales as to whether that transfer of sovereignty should take place—perhaps we should have also consulted in England, where the parallel would have been even more acute, because we diminished our sovereignty when we transferred to Scotland and Wales some part of our domestic powers.

The proposition that where a diminution of sovereignty is involved the electorate should be consulted is extremely difficult, as a general principle, to refute. I apologise for the fact that I have not heard all of this debate, but I have heard most of it and it seems to me that two substantive arguments have been advanced against that proposition. The first, which was advanced by the right hon. Member for Leicester, East (Keith Vaz), has force because often small transfers of sovereignty take place. For example an accession treaty in respect of Croatia might involve relatively minor transfers of sovereignty. Would we wish to subject that to a referendum? I shall return to that issue in a moment, because it is a real one.

The second, which was also raised by the right hon. Gentleman and by the hon. Member for Kingston and Surbiton (Mr. Davey), deals with the competences of courts, and I shall deal with that first. Where there is a duty on a Government to subject a certain class of treaty to a referendum and the Government decline to meet that obligation, the citizen should have a right to go to the court. I do not think that this would happen often, because initially a political decision would have to be made as to whether or not to hold a referendum, and politicians are not so stupid—as a general rule—as to ignore the political climate in which they operate. Let us assume that a Government do choose to ignore that political climate. In such circumstances, is it not right that there is another authority that says of that Government, "You are not fulfilling your legal obligation." I do not find that in any way repellent as a principle, nor is it inconsistent with our general constitution, because time and again the Executive are challenged in the courts by the process of judicial review. That is not different in principle from what I am discussing, because when we say that the Government decline to put an issue to a referendum, we are saying no more than that Ministers collectively decline to do that. There is no difference in principle from subjecting that decision to judicial review from subjecting the decision of an individual Minister—

Mr. Cash: Will my right hon. and learned Friend give way?

Mr. Hogg: If I may, I shall finish this point and then give way. I regard the competences of the court as one of the serious safeguards for the British constitution. I believe that the courts have increasingly exercised a control over the Executive because of a recognition that we in this House, as a political institution, are not controlling the Executive in the way that we should. That is in part to do with the grip of party. My profound belief is that one reason that this House has fallen into disrepute in the way that it has has much more to do with a general perception that we are not doing our duty than with anything else. I pray in aid the courts to meet that gap in control and accountability.

Mr. Cash: I could not agree more with my right hon. and learned Friend on the question of the Whips' control over business. I made a point earlier, in an

[Mr. Cash]

intervention, about the manner in which Standing Orders, which now number about 170, have taken away power from the House as a whole. That is why we want a business committee. Let me ask my right hon. and learned Friend, if he is going to continue to pursue this argument about the courts' being the final arbiter, please to bear in mind the primacy that is asserted in the annex to the Lisbon treaty, plus the substantial amount of European case law that it represents. It would mean that the Supreme Court, which has already struck down an Act of Parliament—the Merchant Shipping Act 1988—in the Factortame case, would be inclined as a matter of law, irrespective of any political or quasi-judicial considerations, to take a position on sovereignty that would not be to the liking of many of us on the Opposition Benches. We need a proper parliamentary sovereignty Bill to ensure that we get the whole package.

Mr. Hogg: May I put to the House a different question from the one put by my hon. Friend, which, I think, answers his question? Let us say that the amendment tabled by my hon. Friend the Member for Rayleigh is accepted by the House and that such a duty is placed on a Government. There is then a substantial transfer of competences—I shall use the phrase "substantial transfer", as it comes back to that—and the Government decline to honour that obligation. Let us say that a citizen then goes to the courts. The courts' only obligation and duty at that point will be to determine whether the Government have complied with the statutory obligation introduced by my hon. Friend's amendment. I question whether that wider jurisdiction of which my hon. Friend the Member for Stone (Mr. Cash) has just been speaking will come into play. I think that the issue at that point is a very narrow one and that the citizen would find the relief that he or she sought.

Let me make my final point on the other objection, which was advanced primarily by the right hon. Member for Leicester, East and was echoed by Liberal Democrat Members, too. It has some force. I differ on this point from my hon. and learned Friend the Member for Torridge and West Devon (Mr. Cox), as I do not think that we should feel obliged to submit every single transfer of competence to a referendum. We are talking about substantial competences, and my hon. and learned Friend used the phrase himself. The only issue that I have with the amendment tabled by my hon. Friend the Member for Rayleigh is that he has not used the concept or the language of substantial competences. I think that we should do that, if this matter goes forward. It is merely a matter of drafting and it should be possible for us to deal with it by ensuring that a referendum applies only to substantial or significant—the language is variable—transfers of competence. If that is not possible, although I suspect that it will be, there is another way forward, which is to create the presumption that there is always a referendum but to contain within the legislation a power to disapply that presumption if the House is willing to disapply it. That would depend very much on the political context of the time.

Mr. Cox: If the European Union or its countries have spent years negotiating to produce a treaty, and the changes require a treaty and cannot be made through the ordinary revision procedure, the presumption must be that whatever is being done by the treaty is of some significance and seriousness. Otherwise, dozens of meetings and numerous years would not have been needed to bring that treaty to fruition. It is therefore highly unlikely that any treaty would simply reorganise the system of administration or paperclips. It would deal with something fundamental—that is why a treaty would be needed.

9.15 pm

Mr. Hogg: In all probability, my hon. and learned Friend is correct. None the less, it is proper to meet an argument which has been advanced and may be relevant. Looking back on the 30 years that I have been in this place, I think, with the benefit of hindsight, that all the European treaties to which I have been a party should have been subject to a referendum. In so far as I was party to a decision at the time of Maastricht not to do that, or for that matter, on the single European Act, when I was in the Department of Trade and Industry, I did not demand a referendum. As a junior Minister, it would not have been very effective if I had, but looking back, I think we should have had a referendum on those issues.

There may be treaties to come that will have but a minor effect in terms of transfer of competence. A Croatian accession treaty, for example, might involve some transfers of competence, but of a trivial kind. That objection needs to be met, but the substantive thrust of my hon. Friend's amendment is wholly right. If he presses it to a Division, as I hope he will, I shall support it.

Chris Bryant: It was a sadness that the hon. Member for Rayleigh (Mr. Francois) gave us such a short speech. He was not able to explain the content of his amendments and new clause. All the amendments are impracticable, wrong and unnecessary. They are impracticable because, as we heard from several hon. Members, they are impossibly imprecise in their language and confused in their effect.

For instance, amendment 125 refers to

"treaties which transfer competences from the United Kingdom Parliament to the European Union".

On the surface, that seems clear, but it is meretricious. No treaty transfers competence away from Parliament; Parliament always remains sovereign. We could, if we chose to do so as a Parliament, repeal the European Communities Act 1972 tomorrow. *[Interruption.]* I note that two Members said that that would be a good idea.

Mr. Cox: What does the European Court of Justice mean when it describes something, as it has done in hundreds of its judgments, as being within the exclusive competence or jurisdiction of the European institutions?

Chris Bryant: The hon. and learned Gentleman knows perfectly well, though he was wholly inaccurate in his understanding of the process of treaty change when he spoke earlier. He knows that there are areas where we have decided that we will share our sovereignty with other countries in the European Union. If, however, we chose to do so, we could decide to leave the European Union and that would no longer apply. As a result of the Lisbon treaty, there is a process for leaving the European Union, which did not exist before. *[Interruption.]* I note that the hon. Member for Shipley (Philip Davies) said, "Hear, hear." Of course.

Mr. Cash: The Minister has complete and total belief in the European Union and the European Court as they stand and in their functions, in section 3 of the European Communities Act 1972, and in the primacy declaration to which I referred. As the Minister for Europe in the Foreign and Commonwealth Office, does he deny the assertion by the European Court as set out in the Handelsgesellschaft, the Costa and the Van Gend en Loos cases, which he knows perfectly well as he is a very competent Minister? The European Court asserts its control and jurisdiction over the constitution of this country and therefore its Parliament, as well as the laws and law-making. Does the Minister deny it?

Chris Bryant: Yes, I wholeheartedly deny that the European Court of Justice has the power to determine every one of our laws. That is simply not true. Sovereignty remains with Parliament because we have the right, if we want to, to leave the European Union.

What is more, although there is a clear definition of "treaty" in the Bill, the definition of what constitutes competences that the hon. Member for Rayleigh provides in his proposed new clause 68, is incompetent. It confuses the concept of competence with jurisdiction and invents three wholly new legal concepts—supplementary jurisdiction, shared jurisdiction and exclusive jurisdiction, none of which exists in UK or European Community law. Moreover, the word "jurisdiction" is understandable in the context of the European Court of Justice, but not in the context of the objectives and powers of the EU. His proposal therefore falls at the first hurdle.

Nor is there a definition in any of the amendments of the "transference of competences". As a result, as several hon. Members have made clear today, the law would be wholly uncertain about when a referendum would be triggered. Indeed, as a parenthesis, I would add that the new clause refers to the transfer of "competences", in the plural, so would there not have to be a referendum if a single competence was being transferred? What counts as a singular competence, and when would there have to be a referendum?

Let us not look at hypothetical examples; instead, let us examine real treaties that have already been through the system. Would there have to have been a referendum for the instrument amending the convention for the establishment of the European Radiocommunications Office, which was laid before Parliament under the Ponsonby rule in December 2002? The hon. Member for Rayleigh is looking remarkably empty-headed. The instrument limited the UK's power to act and it created a new European body. Would it require a referendum? The hon. Gentleman does not know.

Would there have to have been a referendum on the protocol established in accordance with article 34 of the treaty on European Union, amending, as regards the creation of a customs files identification database, the convention on the use of information technology for customs purposes? That created new powers elsewhere and took them away from this country but, again, we get an empty face from the hon. Member for Rayleigh.

What about the several stabilisation and association agreements between EU member states? What about the accession treaties? The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said he believed that every European treaty that he had been involved with, presumably including all the accession treaties, should have been subject to a referendum.

Mr. Hogg: I was in fact referring to the major treaties that I was associated with, namely those arising from the Maastricht talks and the Single European Act. The Minister will recall that I specified them both.

Chris Bryant: The point is that the right hon. and learned Gentleman is starting to use the word "major", and others have used the word "substantial", but neither word appears in the amendments moved rather incompetently by the hon. Member for Rayleigh.

Mr. Cash: I shall answer the Minister very simply. This is a sovereign Parliament—that is his and his Government's argument. If this sovereign Parliament decides that it wants to be able to revisit anything arising from the European Communities Act 1972, he concedes—does he not?—that we could do so, in accordance with our constitutional law.

Chris Bryant *indicated assent.*

Mr. Cash: If that is the case, it follows that all the precedents that he has just posed can be revisited, as a matter of political and constitutional will. However, only when such a thing is proposed—which his Government will not do—will we be in a position to revisit them. The Opposition propose that these matters should be dealt with in that way, but the Government are simply running away from questions to do with the sovereignty of Parliament.

Chris Bryant: No. Indeed, the point I am about to make is entirely to do with the sovereignty of Parliament. I still want to ask the hon. Member for Rayleigh whether he conjectures that his amendment would require a referendum on a treaty amending the number of Members of the European Parliament, or determining how additional Members are appointed. Does he, or does he not? Perhaps he will respond later in the debate.

The danger, I believe, is twofold. First, these amendments would undermine the sovereignty of Parliament, as the uncertainty in the drafting would have to be clarified by nobody other than the courts. I notice that several lawyers have spoken in favour of the amendments—perhaps they are seeking more business.

Mr. Cox: On a point of order, Mrs. Heal. It cannot be appropriate for the Minister to descend to such an undignified submission about Opposition Members. It must be wrong to suggest that there is a conflict of interest in that respect.

The First Deputy Chairman: Order. The Minister may wish to reconsider his words, but I think that he said what he did in a rather light-hearted way at the end of the debate.

Chris Bryant: The right hon. and learned Gentleman knows perfectly well—

Mr. Cox: Not "right honourable".

Chris Bryant: No, indeed; just learned, not right. The hon. and learned Gentleman knows perfectly well how the comment was intended. However, the point is serious: it would be the courts, not Parliament, that decided whether there was a referendum; Parliament would

[Chris Bryant]

have ceded its right to decide. By contrast, I believe that what constitutes enough of a treaty to require a referendum is a political decision for Parliament, so the amendments are unnecessary and wrong.

If the proposal became law under a Tory Government, that Government would be wholly in hock to their anaphylactically Eurosceptic tendency, with internal rows about what did or did not require a referendum. I can just hear the hon. Members for Stone and for Shipley (Philip Davies) condemning their Government for not holding a referendum on the slightest treaty that comes around.

The amendments are not just impracticable, but wrong. It is the job of Parliament to scrutinise Government, and that includes the treaties that they sign. That is why, for future EU treaties, we have strengthened Parliament's power, putting in place a statutory obligation that the Government will be able to ratify a future EU amending treaty, regardless of its effect, only if the treaty has been approved by an Act of Parliament, as set out in section 5 of the European Union (Amendment) Act 2008. It is also why, for other treaties, the Bill puts on a formal footing the 1924 Ponsonby rule.

I believe it is right that the power remains with Parliament, and that also happens to be the view of Parliament. On 5 March 2008, during the passage of legislation on the Lisbon treaty, the House voted on an amendment proposing a referendum. That amendment was defeated by 311 votes to 248, a majority of 63. It was not just the House of Commons that defeated it, however: on 11 June 2008, the House of Lords also voted against a referendum on the Lisbon treaty, by 280 votes to 218, a majority of 62.

Even if I did support the use of referendums for the ratification of treaties, I would not want to cede to the courts the powers to decide when a referendum should be held and what circumstances should apply, but that is what the amendments would do.

Philip Davies (Shipley) (Con): What mechanism does the Minister envisage to deal with the problem of political parties that promise a referendum before a general election, and then, after the public have in good faith voted them in on that basis, change their mind in a rather shoddy manner?

Chris Bryant: If the hon. Gentleman wants to talk about shoddiness, he can talk to the leader of his own party. He can talk about his leader's cast-iron guarantee and demand the right hon. Gentleman's apology at a meeting of the 1922 Committee.

The amendments show not just a fatal inability to draft decent legislation, but an Opposition who have a wholly dangerous degree of Euro-fundamentalism at their heart. Why have the Opposition insisted on only European treaties being subject to a referendum? Why have they not included any treaty that limits—albeit voluntarily—the UK's power to act? Why not, for instance, include a referendum on the UK-US extradition treaty? Why not include treaties on reform of the International Monetary Fund or the United Nations? Why not include a referendum on any climate change treaty that comes about later this year? The trouble is that there is no principle to the Conservatives' position; if there is, it is one of swivel-eyed, obsessive Pavlovian, dogmatic and fundamentalist objection to anything that even mentions the European Union.

This group of proposed changes, including the new clause that the hon. Member for Rayleigh tabled, seeks to do one thing and one thing only: to appease the Conservative Back Benchers and the Eurosceptic wing of the Tory party. It has nothing to do with good governance or sensible policy making. It is the Leader of the Opposition's way of saying sorry to the likes of the hon. Member for Stone—sorry for abandoning the cast-iron guarantee. Sadly, the right hon. Member for Witney (Mr. Cameron) has not even the grace to blush.

There is a narrow calculation in the proposals. There was a calculation that, by showing a little bit of Eurosceptic leg, the right hon. Gentleman would secure the leadership of his party; there was a calculation that, by opting out of the largest grouping in the European Parliament, he would avoid the fate of his predecessor; and there is a calculation now that, if he offers a so-called referendum lock, his Back Benchers will not demand a referendum on him for abandoning his cast-iron guarantee. The trouble is that he is now left with an unworkable policy and a bunch of allies in Europe who consign him to the extremist margins. He is undermining the national interest.

These amendments would subject Parliament to the courts, subcontract out our governance to the lawyers, and fatally, abjectly and ludicrously undermine the sovereignty of Parliament, and I oppose the whole lot of them.

9.30 pm

Mr. Francois: I have heard a number of winding-up speeches by Government Ministers in the time I have been in this House, but tonight the only person who was being wound up was the Minister himself. That was not a summary of the Government's position—it was an incoherent rant. Nevertheless, let me do my best to reply to the debate.

This has been an enlightening debate, not least because it has highlighted the clear reluctance of the Government and Liberal Democrats to back the introduction of a referendum lock on future treaties that pass powers from Britain to the European Union. If such a power were on the statute book, it could strengthen the hand of a future British Minister in negotiations with our European partners, because it could be cited in those negotiations and all our European partners would be aware of it. It would strengthen the hand of a future Government in dealing with our partners in the EU; perhaps that is one of the reasons why some of the other parties in this House are so reluctant to see it introduced.

My hon. and learned Friend the Member for Torridge and West Devon (Mr. Cox) made a robust and, in many ways, very witty speech in defence of our amendment. Several of the points that he made were unanswered by the Minister in his summing-up rant, so let me put a few points to the Minister. Of course, several of these treaties have transferred competences from this Parliament to the European Union. He knows full well that the effect of those treaties was to do that; to attempt to deny it, as he did in the opening sentences of his rant, was completely and utterly fallacious. He knows full well that those powers were potentially transferred from

here to the EU, and he should not attempt to deny it in the same way that the Government constantly attempted to downplay it when we had the debates on the Lisbon treaty.

The Minister put some questions to me. No, we would not propose to have a referendum on the establishment of a radio communications agency, any more than we would propose to have one on the establishment of an open-plan office, as the previous Prime Minister once put it when he was trying to explain away the Lisbon treaty as something that no one should be in the least bit concerned about. Our referendum lock would not automatically mean that there was always a referendum on an accession treaty—that would depend on whether the treaty included the transfer of further powers from Britain to the EU. However, if this referendum lock had been on the statute book at the time of the Nice treaty or the Amsterdam treaty, it would have guaranteed that the British people were asked to give their consent, or not, in a referendum. If it had been on the statute book at the time of the Lisbon treaty, it would have guaranteed that the British people had a chance to indicate their support, or not, in a referendum. That is the kind of amendment that we are talking about, and it utterly undermines the Government's case to try to belittle it because they are desperate to find a reason for people not to vote for it in the Lobby tonight.

Philip Davies: I agree wholeheartedly with what my hon. Friend says. Does he agree that Labour Members are so wound up in their opposition to his proposal because on these matters they are petrified of the verdict of the British people?

Mr. Francois: It is a pleasure to agree with my hon. Friend in a European debate. He is absolutely right. Labour Members are very worried about the verdict of the British electorate, partly because of the way they have behaved over the Lisbon treaty. We shall get to the general election and see how the people judge them then.

We then heard criticism from the Liberal Democrat spokesman, the hon. Member for Kingston and Surbiton (Mr. Davey), who said that our position was not sufficiently clear and attempted to contrast it with what he believed was the clarity provided on these matters by the Liberal Democrats. Let me summarise their position throughout the whole Lisbon process. When we debated it in this House, the Liberals argued again and again that they wanted an in-out referendum on membership of the European Union. They organised a contrived sixth-form walk-out to try to get a vote on that matter, and then when it actually came to the vote on whether we should have a referendum on the Lisbon treaty, which they had promised in their manifesto, they abstained.

Moving on to the other place, the saga continued. We should bear it in mind that the Liberals had abstained on a referendum on Lisbon in this House, despite their manifesto promise. When it fell to their peers to echo the work of their colleagues in this House and they had a vote on a referendum on Lisbon, they voted against it. They then had an opportunity to vote on an amendment on whether to have an in-out referendum, which the Liberal Democrats in this House had spent weeks and weeks trying every possible device in the depths of "Erskine May" to bring about a vote on. They had been desperate in the Commons to have a vote on an in-out referendum, but when the issue got to the Lords they voted against it. And yet the hon. Member for Kingston and Surbiton has the brass neck to come to the House this evening and say that we are unclear and inconsistent. What a remarkable way to conduct parliamentary debate. The Liberal Democrats have been completely inconsistent, and I reiterate that if they had supported us at the time of the debates on the Lisbon treaty, there were enough potential Labour rebels to give the people of this country the referendum that they had been promised all along. We know it, he knows it, his colleagues behind him know it and the Government know it too. I say to him, please do not ever come back here and lecture us on votes on a referendum.

Mr. Cash: Will my hon. Friend give way?

Mr. Francois: I could not have a summing-up speech without giving way to my hon. Friend. Just for a moment I thought so, but no.

Mr. Cash: May I invite my hon. Friend, in his marvellous attack on the Liberal Democrats, not to leave out the Government for their complete refusal to have a referendum on the constitutional treaty and its twin, the Lisbon treaty, when they had the opportunity to do so?

Mr. Francois: In fairness, all the way through the Lisbon treaty debates I was not normally accused of letting the Government off the hook, but nevertheless I entirely endorse my hon. Friend's point.

I hope that even at the last minute, the Government and the Liberals might decide to join us in the Lobby to help to put right at least part of the damage that was done to public trust by the Lisbon treaty process. We have to acknowledge that that took place and that we are not having this debate in a vacuum. I reiterate that if the Government and the Liberal Democrats seek in a few minutes to deny the British people their say on any future treaties that transfer power from Britain to the EU, in response we will ask the British people for a mandate at the forthcoming general election to pass such a referendum lock into the law of this country. I hope that they will yet recant and support us, but we need now to test the will of the House. If that does not work because of Labour and the Liberals, we will test the will of the British people instead.

Question put, That the amendment be made.

The Committee proceeded to a Division.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The Committee having divided: Ayes 183, Noes 303.

Division No. 45] **[9.39 pm**

AYES

Afriyie, Adam	Benyon, Mr. Richard
Ainsworth, Mr. Peter	Beresford, Sir Paul
Amess, Mr. David	Binley, Mr. Brian
Atkinson, Mr. Peter	Blunt, Mr. Crispin
Bacon, Mr. Richard	Bone, Mr. Peter
Baldry, Tony	Boswell, Mr. Tim
Barker, Gregory	Bottomley, Peter
Baron, Mr. John	Brady, Mr. Graham
Bellingham, Mr. Henry	Brazier, Mr. Julian

Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, rh Mr. Frank
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Hopkins, Kelvin
Hosie, Stewart
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Elliman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Featherstone, Lynne
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel

Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Dr. Evan
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hodge, rh Margaret
Hood, Mr. Jim
Hope, Phil
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Steve McCabe and
Mrs. Sharon Hodgson

Question accordingly negatived.

Clause 24 ordered to stand part of the Bill.

Mr. Grieve: On a point of order, Sir Michael. It is now 9.57 pm. There has been a perfectly sensible debate on the Bill, but the reality is that we are nowhere near covering the ground this evening that was expected. Have any representations been made to you by the Government about coming to the House to make a statement and give us a proper programme motion, so that this constitutional measure can be properly debated? That is particularly important when one bears in mind that we will be unable this evening to consider the matter of demonstrations in the vicinity of Parliament, which is of great importance to hon. Members, amendments to the Public Order Act 1986, and new clauses relating to the Electoral Administration Act 2006, let alone complete properly our consideration of the treaties clauses that we have been debating perfectly sensibly for the past few hours.

The Second Deputy Chairman: Let me say to the hon. and learned Gentleman that those are not matters that I can deal with now. We are acting entirely in accordance with the order of the House made earlier today.

Clause 25 ordered to stand part of the Bill.

Clause 26

SECTION 24 NOT TO APPLY IN EXCEPTIONAL CASES

David Howarth: I beg to move amendment 116, page 13, line 34, at beginning insert

'subject to the provisions of section [Committee on Treaties].'.

The Second Deputy Chairman: With this it will be convenient to discuss new clause 59—*Committee on Treaties*—

'(1) There shall be a committee to be known as the Committee on Treaties ("the Committee"), to examine treaties which a Minister has determined are to be ratified under section 26.

(2) The members of the Committee shall be drawn from the House of Commons and the House of Lords.

(3) The members of the Committee shall be appointed by the Speaker of the House of Commons after consultation with the Lord Speaker, and such other consultations as he considers appropriate.

(4) Membership of the committee shall be for a term of office that the Speaker considers appropriate, but shall cease when a member ceases to be a member of either House.

(5) The Committee shall appoint one of its number to the chair of the Committee.

(6) The Committee may determine its own procedure.

(7) Where a Minister has made a determination under section 26 that a treaty should be ratified without the requirements of section 24 having been met, the treaty may not be ratified unless the Committee has resolved that it should be ratified, and has reported its decision to the Speaker and the Lord Speaker.'.

David Howarth: I shall be very brief. *[Interruption.]* Clause 26 is a general get-out clause that should not be in the Bill. The amendment would set up a committee of parliamentarians that would have a veto over the Government's power.

Question put, That the amendment be made.

The Committee divided: Ayes 62, Noes 275.

Division No. 46] **[10 pm**

AYES

Alexander, Danny
Barrett, John
Beith, rh Sir Alan
Bottomley, Peter
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Campbell, Mr. Gregory
Corbyn, Jeremy
Davey, Mr. Edward
Davies, Mr. Dai
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Hancock, Mr. Mike
Harris, Dr. Evan
Hemming, John
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Kennedy, rh Mr. Charles
Kramer, Susan
MacNeil, Mr. Angus
Mason, John
McCrea, Dr. William
McDonnell, John
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Pelling, Mr. Andrew
Price, Adam
Rennie, Willie
Robertson, Angus
Rowen, Paul
Russell, Bob
Simpson, David
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Sammy
Wishart, Pete

Tellers for the Ayes:
Mr. Alan Reid and
Mr. Adrian Sanders

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Heyes, David
Hodge, rh Margaret
Hood, Mr. Jim
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian

MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Steve McCabe and Mrs. Sharon Hodgson

Question accordingly negatived.

10.11 pm

Proceedings interrupted (Programme Order, this day).

The Chairman put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Clause 26 ordered to stand part of the Bill.

Clauses 27, 28 and 35 ordered to stand part of the Bill.

Schedule 5

AMENDMENT TO PART 2 OF THE PUBLIC ORDER ACT 1986 ETC

Amendments made: 96, page 55, line 1, leave out from 'requirements' to end of line 2 and insert

'specifying entrances at or by the Palace of Westminster or Portcullis House—'.

Amendment 97, page 55, line 34, leave out from 'than' to end of line 35 and insert

'300 metres in a straight line from the nearest relevant entrance.

( ) Each of the following is a relevant entrance for the purposes of subsection (3)—

(a) Carriage Gates;

(b) St Stephen's Entrance;

(c) Peers' Entrance;

(d) Black Rod's Garden Entrance;

(e) the main entrance to Portcullis House (on Victoria Embankment).'.

Amendment 98, page 55, line 43, leave out '250' and insert '300'.

Amendment 99, page 56, line 21, leave out from second 'requirements' to end of line 22 and insert

'specifying entrances at or by the specified building—'.—*(Mr. Watts.)*

Question put, That the schedule, as amended, be the Fifth schedule to the Bill.

The Committee divided: Ayes 263, Noes 53.

Division No. 47] **[10.13 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Caton, Mr. Martin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim

Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Heyes, David
Hodge, rh Margaret
Hood, Mr. Jim
Hope, Phil
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, David
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Sammy
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Steve McCabe and Mrs. Sharon Hodgson

NOES

Alexander, Danny
Barrett, John
Beith, rh Sir Alan
Breed, Mr. Colin
Brooke, Annette
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Clark, Ms Katy
Corbyn, Jeremy
Davey, Mr. Edward
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Hancock, Mr. Mike
Harris, Dr. Evan
Hemming, John
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Kennedy, rh Mr. Charles
Kramer, Susan
MacNeil, Mr. Angus
Mason, John
McDonnell, John
Moore, Mr. Michael
Mulholland, Greg
Opik, Lembit
Pelling, Mr. Andrew
Price, Adam
Robertson, Angus
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wishart, Pete

Tellers for the Noes:
Mr. Alan Reid and Willie Rennie

Question accordingly agreed to.

Schedule 5, as amended, agreed to.

New Clause 57

SECTION 3 OF THE ACT OF SETTLEMENT

'(1) For the avoidance of doubt, the repeal in section 18(7) of the Electoral Administration Act 2006 (c. 22) of the entry in Schedule 7 to the British Nationality Act 1981 (c. 61) (entry which modified certain disqualifications imposed by section 3 of the Act of Settlement (1700 c. 2)) applied only so far as the modification made by that entry related to—

(a) membership of the House of Commons, or

(b) anything from which a person is disqualified by virtue of a disqualification from membership of that House.

(2) Section 3 of the Act of Settlement (1700 c. 2) has effect accordingly, and has done so since the coming into force of section 18 of the Electoral Administration Act 2006 (c. 22).'.—*(Mr. Watts.)*

Brought up, and added to the Bill.

The Chairman left the Chair to report progress and ask leave to sit again (Programme Order, this day).

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

INCOME TAX

That the draft Enactment of Extra-Statutory Concessions (No. 2) Order 2009, which was laid before this House on 10 November, in the previous Session of Parliament, be approved.—*(Mr. Watts.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)).

EUROPEAN UNION POLICE MISSION IN AFGHANISTAN (EUPOL AFGHANISTAN)

That this House takes note of an unnumbered explanatory memorandum dated 2 November 2009 from the Foreign and Commonwealth Office on the Council Joint Action amending Joint Action 2007/369/CFSP on the establishment of the European Union Police Mission in Afghanistan; and agrees with the Government that the mission is now making an important contribution to the international effort to reform the Afghan National Police.—*(Mr. Watts.)*

Question agreed to.

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Thursday 21 January, notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means may be entered upon at any hour, and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Mr. Watts.)*

Hon. Members: Object.

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Motion made,

That, for the purposes of its approval under section 5 of the European Communities (Amendment) Act 1993, the Government's assessment as set out in the Pre-Budget Report 2009 shall be treated as if it were an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees).—*(Mr. Watts.)*

Hon. Members: Object.

Electricity Transmission (North Somerset)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Watts.)*

10.26 pm

Dr. Liam Fox (Woodspring) (Con): For those who are unfamiliar with this issue, let me briefly explain the background. In preparation for the Hinkley Point C nuclear power station coming on stream later this decade, National Grid plc intends to introduce new 400 kV overhead cables to connect Hinkley C with Avonmouth. The intent is to link two coastal points by a land-based pylon system. The new pylons will be about 46 metres tall—each the height of Nelson's column—and will cut through the countryside of north Somerset.

This debate is about the villages and towns, such as Nailsea, Yatton, Backwell, Wraxall and my own village of Tickenham, the Gordano valley and other places that will be affected. It is about a consultation that is not really a consultation at all and about a definition of cost that includes only short-term financial measurements and not wider measurements of public interest such as the environment, safety, the green belt or the impact on property values. It is also about a decision-making process that has at its core a democratic deficit where decisions are made by unelected quango chiefs who are unaccountable to ordinary citizens.

We all understand the need for more electricity, and that it has to have a transmission network. The public meeting that we held with National Grid in my constituency, in Nailsea, was an object lesson in reason and good manners despite the anger felt by so many in our area. I am deeply proud of local pressure groups and local residents for the dignity and self-restraint with which they have handled themselves. The consultation process that we have been given has offered the choice between two different land corridors with overhead cables. It is not much of a consultation—the choice between being hanged and being beheaded does not boil down to much of a choice at all.

Furthermore, there is a strong suspicion that the second option—corridor two—clearly represents environmental vandalism of such a degree that it was bound to be objected to violently. That always had the potential to allow the false conclusion to be drawn that corridor one was supported, and to leave local residents split. We want to see a genuine consultation that compares the wider costs and benefits of overhead cables with undersea and underground cables.

John Penrose (Weston-super-Mare) (Con): Does my hon. Friend agree that option two is not just environmental vandalism, leaving option one as a false choice? Option one would cause environmental damage and vandalism, too, particularly as it goes through the area of outstanding natural beauty in my constituency, where there is no provision, as the option stands, to put the cables underground—a possibility that he has just mentioned.

Dr. Fox: My hon. Friend is absolutely right. That is why there is no real choice between one type of environmental vandalism and another. It does not boil down to any meaningful choice.

The optioneering report shows that National Grid discarded a number of undersea options before the public consultation started. Despite asking for further information about the technical, environmental and cost considerations of placing the cables undersea, we still have not been given answers that explain clearly why two coastal points should be linked by overland power lines.

We understand that there are technical issues, but if these can be overcome elsewhere, why not here too? National Grid's depreciation policy states that assets such as cables and pylons are depreciated over a period of up to 50 years, so investment needs to be assessed not simply as initial cost, but spread over all consumers who benefit, and over 50 years.

One overground option that has been trailed is to follow the M5 route. That, to me, is no solution at all and simply moves the problem on to the residents of the Gordano valley and Portishead, who would have their local environment permanently damaged. Likewise, I cannot support the addition of a 400 kV line parallel to the two existing 132 kV lines.

For a decision of such importance and magnitude, we do not believe that National Grid has carried out as thorough and adequate a consultation with the public as it should have done. If an inappropriate decision is reached as a result, we believe that National Grid's approach would be challengeable. I would like the Minister to set out the Government's views on the matter tonight. What would be the process of judicial review, at what point could it be triggered, how and by whom?

We expect Government to ensure that the rights of small communities are not steamrollered by the short-term interests of large utilities. No one questions the right or even the duty of National Grid to find the best deal for its shareholders, but the short-term benefit of shareholders cannot be bought at the long-term cost to individuals, communities and the environment that the proposal brings. A Severn estuary route or a route underground cannot be ruled out purely on cost grounds. Those options need to be properly explored and communicated.

Another issue is the unknown quantity of safety. The height of the proposed pylons is 46 metres. We all recognise that the issues concerning the impact of electric and magnetic fields are complicated and potentially open to a range of interpretations. Given the confused nature of the advice currently available, we believe that it would be sensible for National Grid to approach the matter with caution—to adopt the precautionary principle. This would avoid the positioning of pylons and power lines in close proximity to homes, public rights of way, community routes, schools and colleges where land-based lines are in use. We welcome National Grid's assurances on this, but that should not be interpreted in any way as an acceptance in principle of the proposed routes.

Finally, we come to the democratic deficit. I am extremely grateful to Mr. Speaker for granting time for the debate tonight. Under current legislation, no Minister is responsible for these decisions. It is left to the unelected chairman of a quango to take the environmental, safety and economic decisions that will affect the well-being of our constituents. What sort of democracy do we live in? If there is a change of Government at the election, a future Conservative Government will restore the democratic link and ensure that such decisions are taken by a Secretary of State accountable to the people through Parliament.

Before resorting to above-ground routes, the company should be obliged to investigate other options, including undersea and underground corridors, fully and properly.

Mr. David Heathcoat-Amory (Wells) (Con): My hon. Friend is making an extremely powerful case, which applies just as much to other parts of the route, such as the Somerset levels. He referred to the need for further studies. Should there not be an attempt to find a monetary value to attribute to the preservation of the environment and the avoidance of the health effects that he described? If that were done, the submarine option might well be found to be not the most expensive, but the cheapest option.

Dr. Fox: My right hon. Friend makes a valid point, because much of the argument boils down to cost, and I am afraid that the values and the units of cost that are being used simply do not take account of the cost in other terms—in environmental terms, in safety and in terms of the impact upon the area in which we live. It will be changed beyond recognition for many years to come, and that very important issue lies at the heart of the matter.

We need a better explanation, because we simply do not understand the logic of a project that seeks automatically to connect two coastal points by a land-based route, especially when National Grid's own chief executive has described the proposed western undersea grid, linking Merseyside and Scotland, as a "no-brainer". The feasibility of an undersea route along the Severn channel has to be properly explored. Money should not be the critical factor in determining this matter, particularly when costs can ultimately be shared among the consumers who will benefit from the grid connection over a longer period.

Those of us who are in the Chamber tonight simply cannot and will not stand by and watch our countryside ravaged by the 46-metre-high graffiti of that pylon scheme, or the property values of our constituents threatened. All Members should take note of this debate. Today, north Somerset is in the firing line. Other areas will follow.

John Penrose *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. I am sorry, but does the hon. Gentleman wish to speak? Has he checked with the Minister that it is all right to contribute?

John Penrose: I have not.

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): I have not been asked at all, but I certainly would not object if the hon. Gentleman wanted a minute or two to speak.

10.36 pm

John Penrose (Weston-super-Mare) (Con): I thank the Minister, and promise to keep my contribution short.

I congratulate my hon. Friend the Member for Woodspring (Dr. Fox)—my constituency neighbour—on securing this debate and making the case so powerfully, and I add one small but important point that a number of local residents in my constituency have made to me. They are deeply concerned that National Grid's initial costings for the undersea and underground routes—the two that, as my hon. Friend has made clear, have not been properly canvassed—are inadequate and far too shallow.

In particular, my constituents are concerned that over the lifetime of the assets that would be created—as my hon. Friend has said, that is a long time, and could add up to 50 years or more—one factor has been left out. With an undersea or underground cable, which is a much higher voltage direct-current cable, the transmission—power—losses are much lower than those on an overhead power line. The savings on the power that would not be lost should therefore be factored into the costings, but they have not been.

My constituents are concerned, therefore, because the costings are unfairly slanted against those two options. For the sake of democracy, it is vital to have high-calibre, reliable underpinnings for the debate, and high-quality facts on which to base it. Otherwise, there will not be democratic trust in any final decision. I again thank the Minister for allowing me to speak for a few minutes.

Mr. Deputy Speaker: Before the Minister begins, I apologise for my hesitation a few moments ago, but it is customary for an hon. Member who wishes to take part in an Adjournment debate not only to get the permission of the hon. Member who has charge of the debate, as the hon. Gentleman clearly did, but to let the Minister know.

10.38 pm

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): I congratulate the hon. Member for Woodspring (Dr. Fox) on securing the debate, and I certainly take to heart the strength of feeling that he represents among his constituents. I am delighted to hear about the dignity with which they are making their very strong points of view known—without descending to misbehaviour. Clearly, the hon. Gentleman is proud of his constituents, and it sounds as though he should be.

I had some prior knowledge of the subject because of the activities of the hon. Gentleman's right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), who is sat beside him. I have heard the right hon. Gentleman raise similar points about the project on previous occasions in the House, and he has written to my Department. He has not yet had his reply, and I appreciate that one is due to him. He asked about the additional grid requirements that might be needed for a Severn tidal power scheme.

I shall say a little bit about that scheme and the stage that it has reached in order to provide Members with some information about it. Grid issues, such as connection and enforcement, are being considered as part of the ongoing Severn tidal power feasibility study, which is considering whether the Government could support a tidal power project in the Severn. The scale of grid reinforcement work required there, and the cost of it, would very much depend on the size of the proposed scheme and the generating background at the time. We expect to publish the results of these studies at the time of the second public consultation, which is expected to be held later this year. Severn tidal power is genuinely

[Mr. David Kidney]

an open question at the present time. Only once we have completed the work looking into the costs, benefits, impacts and risks of the viable options, and sought public views on our conclusions, can we decide whether we will support a scheme in the Severn.

The hon. Gentleman will be aware that from 1 March this year, all applications for development consent for electric lines of 132 kV and above will be considered by the new Infrastructure Planning Commission—the IPC—under the Planning Act 2008. Currently, these decisions are taken by my Department. The IPC will not be taking over decisions on electric lines from local authorities, as local authorities are not the decision makers now. This involves transmission electric lines that affect long-distance transfer of electricity through 275 kV and 400 kV lines, and their distribution lines of 132 kV, which are lower-voltage lines carrying power from transmission substations to the end user. The IPC's decisions on these applications will be taken on the basis of national policy statements designated by Government following public consultation and public scrutiny. Decisions on electric lines below the IPC's threshold will remain with my Department for consideration under section 37 of the Electricity Act 1989, and will be determined by the Secretary of State.

A well-functioning planning system is one of the key factors underpinning our quality of life. The 2008 Act reflects the Government's commitment to sustainable development and to tackling climate change. The current system for providing nationally significant infrastructure—electric lines of 132 kV and above have been defined as such in the 2008 Act—is still too complex and bureaucratic. There are overlapping multiple consent regimes, long and variable inquiry times, and two-stage decisions, and there can be several decision makers for a single project. The 2008 Act addresses these problems and creates a fairer and faster system. The IPC works at arm's length from Government and will consider applications for development consent for all major infrastructure projects, such as this proposal from National Grid. In addition to all the other benefits that a fairer and faster system brings, the Government estimate that the economic benefit of improving the system could be up to £5 billion by 2030.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): If National Grid says, "We want this to go across country", can the IPC change that decision and say, "No, we want it to go underwater", and force it to put in an undersea route? Is there then an appeal process, and if so, how long will this all take?

Mr. Kidney: At the present time, the Secretary of State makes a decision on the application before him or her; similarly, the IPC would make a decision on the application before it. The point is that one of the decisions could be to refuse an application, just as another could be to grant it.

Dr. Julian Lewis (New Forest, East) (Con) *rose—*

Mr. Kidney: I need time to answer the hon. Gentleman who secured the debate, but if there is one last point I will give way.

Dr. Lewis: I had not intended to intervene; I was here only to support my hon. Friend the Member for Woodspring (Dr. Fox). However, the Minister mentions the IPC and the new regime. In my constituency, a year-long planning inquiry found against the development of a huge container port. We are terribly worried that had the IPC regime existed then, instead of arriving at a quicker decision it would have rammed through this infrastructure project. That is why the Conservative party says that this system should be abolished because the danger is that it will not give communities sufficient protection against massive projects such as this.

Mr. Kidney: I reject that description of what the IPC will do. It will make decisions on applications based on the evidence, the law and the national planning policy statements that I have described.

I should like to say a little about accountability. I want to reassure the hon. Member for Woodspring that the 2008 Act will improve accountability in several ways. First, because national policy statements will be, and currently are, subject to public consultation and public and parliamentary scrutiny, Ministers responsible for the policy decisions set out in them will be held accountable to Parliament and the electorate. I should mention that the consultation on the draft national policy statements for energy infrastructure is still open and will be until Monday 22 February.

The hon. Gentleman might wish to consider the draft overarching energy national policy statement, EN1, and the draft electricity network statement, EN5, as they explain the role of the national policy statements in the new planning system and set out clearly various influencing factors and impacts on local communities that the IPC will need to consider before determining any application for development consent.

After consultation, we are still at the point of settling the policy statements that will determine how the IPC makes decisions. In the overarching policy, for example, there will be statements of principle on the environment, alternatives to a proposed development, good design, health and safety, biodiversity, landscape, land use and noise—all issues in which the hon. Members who have spoken have expressed an interest. In document EN5, such issues as site selection, undergrounding and electric and magnetic fields are discussed. I suggest to the hon. Member for Woodspring, the other hon. Members present and all their constituents that time spent studying the documents and responding to them now might repay them later when the policies are finalised and are guiding the IPC in determining applications such as the one that we are discussing.

Dr. Fox: I wonder whether the Minister understands how Orwellian that description sounds to ordinary voters. At the moment, Members of Parliament can question an elected Secretary of State about particular decisions that affect their constituents' well-being and environment. The Minister tries to get us to believe that an unelected quango, which we cannot hold to account in this elected House, is suddenly more accountable. It is a bizarre explanation.

Mr. Kidney: Again, I do not accept that. Currently, when the Secretary of State is asked about a particular decision, he has a quasi-judicial responsibility and I

cannot answer any questions about it. The IPC will be accountable to Parliament, because it will have to implement the national policy statements that will be determined by Government after public consultation and parliamentary scrutiny. It will be accountable to Select Committees and could be called before them to account for the decisions that it makes and its behaviour. I do not accept that there will be less accountability—I say that there will be more.

The second improvement in the new system is that there has to be pre-application consultation. The Planning Act gives local authorities a key role in advising developers as to how to conduct a consultation and the IPC as to whether the developer has carried out such consultation properly. That referee role for local authorities is an important element of the consultation process. There is no question of the developer, in this case National Grid, simply being able to run a consultation to obtain the best result for themselves. The local authority will submit a local impact report to the IPC.

The third improvement is the right to be heard by the IPC, including in person. The IPC will have to set out clearly the reasons for its decisions, and it will be accountable to the public and Parliament. The hon. Gentleman asked me about court action, and ultimately it will be responsible to the courts if it is alleged that its decisions are not in accordance with the legal framework.

There is a long way to go with the development that we are debating. I understand that National Grid has said that it plans to ask the IPC in the summer of 2011 for development consent for a new 400 kV overhead electric line connection to link its Bridgwater and Seabank substations and connect to the proposed new nuclear power station at Hinkley Point. Of course, as we have heard, National Grid is currently consulting local communities and people living in the vicinity of the proposed works to appraise broad route corridor options. Such consultation is a clear duty placed on applicants under the Act, but it needs to be carried out in accordance with guidance given by both the IPC and the Secretary of State. I understand that the current consultation has been extended until 22 July because of the bad weather.

We have heard from the hon. Gentleman that constituents have raised with him concerns about the consultation process conducted by National Grid. The flavour of some of the letters that my Department is receiving, either lodging objections to the proposal or copying responses to us for information, tends to support what he outlined. There is a sense that the consultation period over Christmas and the new year was inadequate; that local people have not received sufficient information; that there has been a failure to put forward the range of options for public comment; and that National Grid has dismissed underground and submarine options as too expensive. There are also concerns about health risks. My understanding, however, is that there must be a second-stage consultation, which will run from February 2010 to March 2011, for which National Grid will be seeking views on its preferred route corridor, and on the preliminary environmental information as part of its environmental impact assessment for the project. National Grid is therefore at the very beginning of the process for the proposal.

As was mentioned, if the IPC considers that there has not been a proper consultation with the public and local communities, it can refuse to accept an application from a developer. All developers must report to the IPC—in a consultation report that accompanies the application—how public consultations have influenced their proposals. I hope that gives the hon. Gentleman some reassurance about the way that is still to go.

The hon. Gentleman indicated that there is a large groundswell of support for alternative routes for the electric line. The hon. Member for Bridgwater (Mr. Liddell-Grainger) mentioned placing it underground, and the hon. Member for Woodspring mentioned going subsea under the Severn estuary. I understand that National Grid has said it discounts the latter proposal on the grounds of cost and technical challenges. It has therefore not been offered as a consultation option for public scrutiny.

I appreciate the frustration of the hon. Gentleman's constituents that that happened, but it is for National Grid, which has a duty as a statutory undertaker, to develop any proposals for new infrastructure in an efficient, co-ordinated and economical way, under the Electricity Act 1989. It must consider the alternatives and put forward the best options it has available to meet its customers' requirements. That is National Grid's duty, but then comes the planning system.

Mr. Heathcoat-Amory: That may indeed be the view of National Grid, but does the Minister think it has a duty to demonstrate what it says, and to include the submarine route option in the consultation system, so that others can challenge and test its assertion that it is too expensive? Otherwise, the consultation process is deeply flawed, and may well be illegal.

Mr. Kidney: The irony of that question is that currently, the national policy statements have not been designated, and the Secretary of State is still the decision maker, so I cannot answer it because of the quasi-judicial role that he might have to play in future. However, as I said, whoever makes the final decision on a planning application is currently guided by the guidance that the Secretary of State follows, but later they will be guided by the national policy statements, which will have things to say about what to take into account, including the costs of different options.

It is not for the Government to require all electric lines to be underground, but for National Grid, or indeed any network operator or developer, to identify and consider the routeing of, and methods of facilitating, any connection before it submits an application for consent. Although it is understandable that people do not welcome the presence of overhead lines, the fact remains that they provide a cost-effective way of transferring power to consumers, and each case is judged on its merits and against the impact and cost of alternatives.

The new system for processing applications for nationally significant infrastructure projects will enable our nation to put the right infrastructure in place, in a timely manner, to meet our energy needs nationally. It is critical that the UK continues to have secure and reliable supplies of electricity as we make the transition to a low-carbon economy, while protecting the most vulnerable from the risk of black-outs and disruptions to supply.

Question put and agreed to.

10.53 pm

House adjourned.

House of Commons

Wednesday 20 January 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES BILL [*LORDS*]
(BY ORDER)

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Wednesday 27 January.

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Multilateral Aid Agencies

1. **Stephen Hammond** (Wimbledon) (Con): What recent steps he has taken to link his Department's allocation of funding to multilateral aid agencies to evidence of their effectiveness in reducing poverty. [311675]

The Secretary of State for International Development (Mr. Douglas Alexander): With your permission, Mr. Speaker, I want to preface my answer by extending—on behalf of the whole House, I am sure—our sympathy to the victims of the Haitian earthquake and our great collective pride in the actions of British search and rescue professionals who are still on the ground working in Port-au-Prince. Even since I arrived at the House this morning, there has been a significant aftershock, registering 6.1 on the Richter scale. The word that I have received is that our search and rescue team is safe and is continuing its work.

Multilateral organisations are vital to the task of global poverty reduction and humanitarian responses of the kind that we have witnessed in recent days in Haiti. My Department allocates its multilateral budget to maximise poverty reduction. At the last spending review, we increased funding to agencies working effectively in the poorest countries. As our White Paper set out last July, we are considering evidence of effectiveness and focus on the millennium development goals in making further allocations.

Mr. Hammond: I am sure that the whole House will join the Secretary of State in what he says about the plight of the victims of the Haitian earthquake. Will he give the House some more details on the flash appeal for funding from the United Nations? How much will it be and when does he expect the money to be delivered? Exactly how does he expect the money to be used and how does his Department intend to evaluate the funds raised?

Mr. Alexander: My recollection is that towards the end of last week—last Friday, I believe—the Secretary-General mentioned the figure of $550 million. We have already responded in the sense that for some time we have argued for use of the Central Emergency Response Fund, so that funds are available to the UN to disburse immediately rather than having to rely on money coming in through a flash appeal. The Secretary-General also indicated that $10 million would be spent directly from the CERF, which was, as I have said, originally a British idea. Secondly, we have made it clear that our funding envelope has been extended to $30 million—approximately £20 million. Within that allocation, we expect funding to go to the UN. We are already committing support to the logistics work of the Office for the Co-ordination of Humanitarian Affairs, as well as supporting the work of the International Red Cross and a range of other British agencies.

Hugh Bayley (City of York) (Lab): It is at times like this that we see the importance of our working together with other countries through multilateral agencies. Can the Secretary of State tell us how quickly the millions of pounds raised by the Disasters Emergency Committee will get into the country to help the victims of the Haiti earthquake?

Mr. Alexander: First, let me express the sentiment of the whole House, I am sure, in commending and feeling immense pride in the generosity of the British people in responding so overwhelmingly and so compassionately to the terrible scenes that we have seen on our television screens. We held our first meeting with non-governmental organisations last week and my hon. Friend the Under-Secretary of State for International Development has since had a second meeting with those NGOs, some of which have partners on the ground and some of which have long track records of working in Haiti. There will be a challenge in getting aid supplies into the country, which is why I am pleased to inform the House this morning that my right hon. Friend the Defence Secretary has kindly agreed to send to Haiti the Royal Fleet Auxiliary supply ship, Largs Bay, which will carry urgent relief supplies from UK NGOs and UN agencies. Following a direct request from the UN, it may stay on to assist in distributing supplies around Haiti.

Malcolm Bruce (Gordon) (LD): Save the Children reports today that questions regarding who is in charge of Haiti are causing tension. Does the Secretary of State agree that Haiti urgently needs a single Government entity, comprising the Government of Haiti, the United Nations and perhaps lead donors such as the United States, France and Canada? How will he use his good offices to bring that about as early as possible?

Mr. Alexander: I assure the right hon. Gentleman that we have been working on these issues with our international partners for some time. Soon after the earthquake, I received a call from Dr. Rajiv Shah, the new head of the United States Agency for International Development, whose opening question to me was, "How

can we help you help?" That is a fair indication of the true spirit of working together that characterises the international response. While, of course, the Haitian Government are central, it is fair to recognise both the depleted capacity of that Government before the earthquake and the very severe damage done to them as a result of it. Similarly, the UN, of course, leads the international co-operation, but its own compound in Port-au-Prince was devastated. The UN continues to co-ordinate the international relief effort, but I am glad to say that it is able to rely heavily on the generous and immediate response offered by the United States, which has more logistical capability and a greater ability to respond immediately than any other partner that the UN could look to. It is in that spirit of co-operation that I hope matters will be taken forward.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I welcome what my right hon. Friend had to say, particularly about the British Navy. Is he in a position to tell us about the reaction of—and whether he has been involved in discussions with—the European Union?

Mr. Alexander: I can give my right hon. Friend the assurance that he seeks. I have been in regular touch with Cathy Ashton, the new High Representative, and the Under-Secretary of State for International Development, my hon. Friend the Member for Worcester, attended a meeting of European Development Ministers in Brussels on Monday. I participated in a conference call on Sunday afternoon with Bernard Kouchner, the French Foreign Minister, and Miguel Moratinos, the Spanish Foreign Minister—the Spanish hold the presidency of the European Union at the moment. Since then, my right hon. Friend the Foreign Secretary has been engaged in the discussions as well. All that is in addition to the operational work being undertaken with ECHO, the institution that is co-ordinating the humanitarian response of the European Union.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): As the horrors in Haiti continue to unfold before our eyes, the term "aid effectiveness" seems a rather emotionless concept. May I join the Secretary of State in his tribute to the British contribution, be that the one being made on the ground or people's generosity in giving donations? I recognise the utter devastation challenging the co-ordination of what goes on in Haiti and the policy responses, but will he assure us that what appeared to be conflicting priorities on what to do first in Haiti have been resolved?

Mr. Alexander: In incredibly challenging circumstances, the international community is working against an established pattern of priorities. First, in the rescue phase, 24 international search and rescue teams have been deployed in Haiti, and I am proud to say that that includes 64 British firefighters. Beyond the rescue phase comes the recovery phase, when we must look to the United Nations to provide the well-established cluster system, whereby individual organisations are tasked to take responsibility for basic human needs, be that food, water, shelter or medicines. Some of the criticism relates to the use of the airport. Approximately three flights a day came into Port-au-Prince before the earthquake and comfortably in excess of 100 flights a day now land there. However, it is important that we continue to work together to improve the situation on the ground.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): My right hon. Friend's White Paper talks about increasing funding for multilateral agencies. Will he tell us how he intends to ensure that such funding would result in improved effectiveness in the delivery of the work of agencies on the ground?

Mr. Alexander: As I sought to reflect in my initial answer, we are examining specific criteria, be that in relation to the work that can be done on the millennium development goals, the capability of these multilateral organisations to work in fragile and conflict-affected states and, of course, the record of effectiveness of those particular agencies. That is the basis on which allocation decisions will be made, as a result of the White Paper that my hon. Friend has mentioned.

Sir Patrick Cormack (South Staffordshire) (Con): I thank the Secretary of State for what he has said. Does he accept that when Haiti has disappeared from the headlines, there will still be a country in total wreckage and a society that has been destroyed? Will he assure the House that we will do all we can to help in the rebuilding of this terribly devastated country?

Mr. Alexander: The hon. Gentleman's question reminded me of a comment made yesterday by Paul Collier, the distinguished development economist. When he was asked how the Government of Haiti could get back on their feet, he said that they were not on their feet before this crisis. We need to recognise that that country has a traumatic history. The principal funders of development support to Haiti have been the United States, France and Canada. We expect them to continue to take a leading role in the rebuilding phase, but a conference has been organised for Monday by Stephen Harper, the Canadian Prime Minister, which I believe will focus on the challenge of how we take the relief effort forward into the recovery phase.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): I join the Secretary of State in his opening remarks. I am sure that the whole House will be united today in sorrow for the people of Haiti in this time of crisis and in solidarity with the small Haitian community in the UK, some of whom I spent time with in Southwark on Saturday night. The House will also wish to pay tribute to the energy and determination of the aid workers and NGOs, who are working tirelessly to help these people, and to the incredible generosity of British people, who have given so much to the Disasters Emergency Committee appeal.

It is clear that the multilateral aid agencies will, in the coming months, have a crucial role to play in addressing the plight of the 3 million people who are now—

Mr. Speaker: Order. May I gently say to the hon. Gentleman that I am exercising some latitude on this matter because of its importance and topicality, but he must now come to a question?

Mr. Mitchell: Thank you, Mr. Speaker. In the light of the 3 million people who are destitute and the 2 million people who, we are told, will depend entirely on external support for the basics of life, what steps is the Secretary of State taking to support the UN's efforts on response and recovery and to ensure that activities are effective, results-focused and properly evaluated?

Mr. Alexander: I have, of course, already been in touch with John Holmes, the head of the United Nations Office for the Co-ordination of Humanitarian Affairs and the Prime Minister has spoken to the UN Secretary-General, Ban Ki-moon. I anticipate meeting Josette Sheeran, the head of the World Food Programme, next week. She will have a key role in both logistics and providing food to those people who have suffered so terribly in recent weeks. That is just a measure of the continuing efforts that the British Government are making to bring our full influence to bear on the response that is required.

Trades Union Congress (Funding)

2. **Mr. Andrew Robathan** (Blaby) (Con): How much funding his Department has provided to the Trades Union Congress for international development purposes since 2003; and if he will make a statement. [311676]

The Minister of State, Department for International Development (Mr. Gareth Thomas): The Department for International Development has provided £2.58 million to the Trades Union Congress in the period from 2002-03 to date in support of its work on international development. The TUC's work in spreading awareness of HIV/AIDS in Ugandan workplaces, for example, has helped to save countless lives.

Mr. Robathan: The International Policy Network recently published a report that suggests that the trade unions, which provide the majority of Labour party funding, receive several million pounds from the TUC for international development. Most of that money is spent in the United Kingdom and is not accounted for in any way. Will the Minister pledge to have a short, inexpensive and quite normal audit of that money, so that we can discover what has been spent on international development and what has not?

Mr. Thomas: Like every other NGO to which we give funding, the TUC has to spend the money in accordance with the requirements of the International Development Act 2002, which, as I recall, had the support of all parties. I gently encourage the hon. Gentleman to look at the work of the TUC in supporting local trade unions in Iraq and Zimbabwe, for example. Although I recognise that he relishes the role of an unreconstructed member of the Conservative party, he might want to be careful about associating himself with a position that is more extreme than any taken by the last three Conservative Foreign Secretaries. Indeed, the last Conservative Government, from 1989 to 1997, paid the TUC to do work on international development.

John Battle (Leeds, West) (Lab): I welcome the Government's recognition that trade unions are part of civil society and active partners in development both here in Britain and internationally. May I urge my hon. Friend to get DFID to work more closely with trade unions, particularly in southern African countries and countries in Asia, where we are working to ensure that their voice is included in that development work?

Mr. Thomas: My right hon. Friend makes an extremely important point about the excellent contribution that trade unions can make. I gave the example from sub-Saharan Africa of the very important work that is taking place in Uganda. Trade unions also played a pivotal role in the liberation struggle in South Africa, and they are playing a particularly important role at the moment in Zimbabwe.

Pakistan

3. **Alan Duncan** (Rutland and Melton) (Con): What his most recent assessment is of the humanitarian situation in Pakistan; and if he will make a statement. [311677]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): Of the 2.7 million people displaced in Pakistan in 2009, the UN estimates that as of 10 January 1.6 million people have returned to their places of origin and 1.1 million internally displaced people are still receiving humanitarian assistance, including 293,000 people from South Waziristan and 370,000 people from Malakand Division.

Alan Duncan: Speaking as someone who has taken a consistent interest in Pakistan for 30 years, I think that its interests are best served at all levels by free trade and democracy. To that end, what discussions have the Minister or his colleagues had at an EU level about extending the generalised system of preferences plus—GSP plus—trading system to Pakistan?

Mr. Foster: We are and will be continuing our discussions with the EU on the GSP plus system, which I know was also a feature of discussions with the hon. Member for Sutton Coldfield (Mr. Mitchell) when he visited Pakistan earlier this month.

Ms Dari Taylor (Stockton, South) (Lab): My hon. Friend will know that the people living in the North West Frontier region of Pakistan in Balochistan and Waziristan are tyrannised by the Taliban. They are controlled and threatened, and they feel powerless. What is the Department doing to ensure that these people are liberated?

Mr. Foster: One of the best ways to deal with extremism in the region is to ensure that we have sound development work on the ground, that there is good education for the people of Pakistan and, indeed, that we support the democratically elected Government of Pakistan in their aims.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): As the Minister will be aware, the UN's humanitarian response plan for Pakistan sets out the need for more than $500 million in assistance to those internally displaced in 2010. However, when I visited Pakistan two weeks ago, I was told by the United Nations Office for the Co-ordination of Humanitarian Affairs that it had been unable to launch this vital appeal. What discussions has the Minister had with the Pakistani Government to ensure that the UN can start raising funds for 2010 to ensure that help can reach the hundreds of thousands of people who need it?

Mr. Foster: The hon. Gentleman is right to point out the importance of the Pakistan humanitarian response plan. The 2009 appeal was 71 per cent. funded, making

it the fourth best funded plan in that year. The United Kingdom is the second largest bilateral donor to Pakistan, and we are working with the Government of Pakistan to make sure that they launch their 2010 appeal for $537 million.

Mr. Don Touhig (Islwyn) (Lab/Co-op): Since the Pakistani army commenced its operations against the Taliban, tens of thousands of people have fled the conflict zone, but many are now returning. What is being done to ensure that the aid we are giving to these people does not fall into the hands of the Taliban?

Mr. Foster: We work through the United Nations-supported humanitarian response plan and reputable non-governmental organisations, as well as local groups to which we can commit funds knowing that they will get through to the right people on the ground. All that funding is independently audited on a quarterly basis, and the information is made public.

Results-Based Aid

4. **Mr. Simon Burns** (West Chelmsford) (Con): What recent representations he has received on the policy of results-based aid; and if he will make a statement. [311678]

9. **Angela Watkinson** (Upminster) (Con): What recent representations he has received on the policy of results-based aid; and if he will make a statement. [311683]

The Minister of State, Department for International Development (Mr. Gareth Thomas): Last year, in preparation for the White Paper we received representations on a wide range of issues, including results-based aid. All our aid is designed to achieve results. In 2007-08, our aid resulted in 12,000 classrooms being built or reconstructed, and more than 60,000 health professionals were trained and more than 3 million children were vaccinated against measles.

Mr. Burns: Does the Minister agree that the public service agreement system for measuring the results of DFID's aid is deeply flawed, because it fails to focus on the Department's specific contribution to poverty reduction? Does he agree that the best way to measure DFID's performance would be through genuinely independent evaluation of the transparency of any analysis?

Mr. Thomas: There are two parts to the hon. Gentleman's question. First, I do not agree that the PSA is fundamentally flawed. Secondly, he might not be aware that there have been a series of evaluations of the way in which the Department goes about its business, including by the OECD development assistance committee and the International Development Committee, and there are also regular evaluations by the National Audit Office. I do not think any other process of evaluation is required.

Angela Watkinson: What confidence can the taxpayer have that aid channelled through the European Union is spent effectively, disbursed swiftly and focused properly?

Mr. Thomas: The OECD development assistance committee has also reviewed the quality of European Community aid; it noted a radical improvement in it over the past 12 years, which we recognise as well. We regularly work with the EC in a range of countries, not least India and many sub-Saharan African nations, and our staff have noticed a significant improvement in the quality of EC aid over the past 12 years.

Ann Clwyd (Cynon Valley) (Lab): There are many examples of how DFID aid has been used to rebuild civil society in Iraq, particularly in respect of the trade unions. *[Interruption.]* The trade unions were corrupted under Saddam, but they are now being rebuilt with the help of DFID aid. *[Interruption.]*

Mr. Speaker: Order. I can just about hear the right hon. Lady's question, but, as usual at this time on a Wednesday, far too many private conversations are taking place in the Chamber. That is very discourteous to the Member asking the question, and to the Minister answering it.

Mr. Thomas: I agree with my right hon. Friend the Member for Cynon Valley (Ann Clwyd), who has done a hugely important job in helping the Department focus on what else we can do to assist the development of civil society in Iraq. Supporting the growth of the trade union movement in that country is just one example of how our aid is making a difference.

Mr. Denis MacShane (Rotherham) (Lab): Is the Minister satisfied, however, with the results from the more than £1 billion of aid given to the Adam Smith Institute and management consultants promoting neo-liberal ideology, thus increasing poverty and inequality in the world? Does he think that the Conservative party's proposal to increase that money to its consultant friends in the City is a good way of spending our aid?

Mr. Thomas: My right hon. Friend draws attention to the suggestions that the Opposition have made. The one that he has highlighted is just one of a series that appear half-baked and unthought-through.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): We have already heard this morning in relation to Haiti how important it is to maintain public confidence in the delivery of effective aid. Does the Minister therefore support the concept of cash for delivery of aid, which is widely supported, in particular by the Washington-based Centre for Global Policy? If he does, where is his Department operating the policy, which links delivery to successful outcomes of aid?

Mr. Thomas: A recent document, which I had the unfortunate experience of having to read, includes the statement:

> "One of the great challenges that faces recipients of international aid is the short-term and unpredictable nature of funding."

That quote was taken from the Tory Green Paper and, I think, alludes to the difficulties of cash on delivery. Such an approach is not much use if Governments do not have the money up front to pay for the extra teachers, schools and textbooks that they need.

Overseas Development Assistance

5. **Mark Pritchard** (The Wrekin) (Con): What recent steps he has taken to increase transparency in respect of his Department's overseas development assistance. [311679]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): The Department is committed to increasing the transparency of its aid programme. We have already implemented our White Paper commitment to publish a database of DFID projects on our website. We continue to lead the international aid transparency initiative to enhance the transparency of all global donor aid programmes.

Mark Pritchard: But is it not the case still that far too many project details and log frames remain hidden in the deep vaults of Whitehall? If the Government are serious about transparency, is it not time the public had far more access, so that they can make up their own mind about how DFID spends taxpayers' money?

Mr. Foster: The summary information about projects has been on the website since August last year. Given that we are engaged in the international aid transparency initiative and want a common standard for reporting, it would be perverse for the UK to publish our own data now in the detail that the hon. Gentleman requires, only for it to have to be changed, potentially, upon agreement with our international partners. That would not represent good value to the taxpayer.

Mr. Lindsay Hoyle (Chorley) (Lab): Does the Minister agree that transparency is important to the taxpayer, but that we must back that up with a full audit trail to where the money is spent?

Mr. Foster: I agree that we should have the recommended independent evaluation and that the audit trail should be made available, so that people can have confidence that the money spent by the Department gives good UK aid on the ground.

Ministerial Meeting (Sweden)

6. **Anne Milton** (Guildford) (Con): What matters were discussed at his recent meeting with his Swedish counterpart. [311680]

The Secretary of State for International Development (Mr. Douglas Alexander): I last met my Swedish counterpart, Gunilla Carlsson, on 14 December at a ministerial meeting at the Copenhagen climate change summit, where we discussed co-operation between the European Union and developing countries in support of an agreement that meets the needs of the poor and most vulnerable people.

Anne Milton: Does the Secretary of State agree that the Government can learn from the Swedish Government's focus on giving aid where it makes the most difference and linking it to multilateral agencies that have clear evidence on its effectiveness?

Mr. Alexander: I admire both the generosity and the effectiveness of Swedish aid, but I also welcome the fact that in recent months the Swedish Government have been in discussion with DFID about what lessons they can learn from the UK.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Sweden obviously has a good record in delivering aid and meeting the target of 0.7 per cent. of GDP. What lessons is it learning, and what can the Minister learn, about the effectiveness of long-term good governance as the way of meeting our millennium development goals by 2015?

Mr. Alexander: The tragic situation in Haiti reminds us all of the centrality and importance of basic Government services being delivered, and the very damaging consequences where those services are not present. That is why, in one of our previous White Papers, there was a specific focus on governance, which continues to be a central theme of the work that we do in the Department.

Climate Change

7. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What plans he has to provide financial assistance to lesser developed countries for the purposes of their adaptation to the effects of climate change. [311681]

The Minister of State, Department for International Development (Mr. Gareth Thomas): My right hon. Friend the Prime Minister has committed £1.5 billion over the next three years to help developing countries tackle climate change. Half of that will be spent on helping poor and vulnerable countries adapt to the effects of climate change.

Jim Sheridan: As part of a cross-party delegation, I recently visited some of the most vulnerable communities in the Pacific islands, where we saw at first hand the devastation that rising sea levels cause. Will my hon. Friend therefore tell the House what further financial or, indeed, other assistance we can give those people to help their communities?

Mr. Thomas: My right hon. Friend the Prime Minister's announcement was part of an effort at Copenhagen to galvanise fast-start finance and help developing countries, such as those that my hon. Friend has just described, to get the funding that they need immediately in order to make their countries more resilient to the impact of climate change. My right hon. Friend the Prime Minister and other Ministers helped to secure commitments worth some $10 billion a year by 2012 to help with that challenge.

Mr. William Cash (Stone) (Con): Will the Minister go to the international water conference in March, given that people from Pump Aid, whom I met today, and Water Aid are concerned about the situation not only in Haiti but elsewhere—in Africa and the rest of the world—regarding the serious problem of sanitation?

Mr. Thomas: At the risk of ruining the hon. Gentleman's reputation, may I commend him for his consistent campaigning on water and sanitation issues? He will be aware of the substantial increase that we have made in aid for water and sanitation projects. He has asked me a specific question about a specific conference, and I shall have a look at that and write to him privately.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [311690] **Danny Alexander** (Inverness, Nairn, Badenoch and Strathspey) (LD): If he will list his official engagements for Wednesday 20 January.

The Prime Minister (Mr. Gordon Brown): I am sure that the whole House will wish to join me in paying tribute to Corporal Lee Brownson and Rifleman Luke Farmer from 3rd Battalion The Rifles. They died in Afghanistan this week, and our thoughts are with their families and friends at this very sad time. Last night, I read through the moving tributes of their fellow soldiers to the immense bravery, selflessness and camaraderie that they displayed serving their colleagues, the British people and the people of Afghanistan, and they will not be forgotten.

All of us have also been deeply moved to action by the still unfolding tragedy of the people of Haiti, some of the poorest people in the world facing some of the most extreme hardships imaginable; and our thoughts and condolences go also to those families in the United Kingdom who have been directly affected by the tragedy. We must, first, provide all support; secondly, improve international co-ordination; and thirdly, help put the Government of Haiti back on their feet so that they are able to deliver reconstruction.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Danny Alexander: I join the Prime Minister's tribute to the two brave soldiers who lost their lives in Afghanistan and welcome the steps that he is taking to support the people of Haiti. I welcome also the consultation on the broadband next-generation fund, but 10 per cent. of the population of the highlands will be left out, according to the Government's consultation, and the rest will be in the final third grouping—despite broadband's enormous economic benefits. The fact is that businesses cannot wait. Why does the Prime Minister think that it is acceptable to leave out 10 per cent. of the population overall, and to leave the rest of rural Britain at the end of the queue?

The Prime Minister: The whole purpose of the digital initiative is to include as much of the United Kingdom as possible in having fast broadband, and that is why we are making available £1 billion to businesses to be able to do so. That will mean that 95 per cent. of the population of the country will be guaranteed broadband and fast broadband very soon. In other areas, we hope to make advances—in the Scottish circumstances, in consultation with the Scottish Administration—and I hope that the hon. Gentleman finds that, over time, we will be able to solve the problem of those remaining rural areas that will not at the moment get broadband. Our programme means that we will be one of the countries that will have the fastest broadband more quickly than any other, and that will help develop large numbers of businesses in this country, and help unemployment to continue to fall.

Dr. Tony Wright (Cannock Chase) (Lab): Some time ago, the City Minister, Lord Myners, said that he thought that it was becoming too easy for good British companies to be taken over by foreign predators. Now that we have had the outrage involving Cadbury, does my right hon. Friend agree?

The Prime Minister: Cadbury employs more than 5,000 people in this country, and it is a very important company for the future of this country. We are seeking assurance and have received information from Kraft about the importance that it attaches to the Cadbury work force, to the Cadbury name and to Cadbury's quality in the United Kingdom. We hope that Kraft's owners will make sure that Cadbury's 5,500 workers can retain their jobs, and make sure that new investment goes into a product that is distinctly British and sold throughout the world. So we will do everything that we can to make sure that jobs and investment are maintained in Britain.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Corporal Lee Brownson and Rifleman Luke Farmer. They died serving our country. We must honour their memory and we must look after the loved ones whom they have left behind.

Everyone in the House, and in the whole country, has been touched by the scale of the tragedy in Haiti. We can be proud of the British response: the public, who have donated generously; the members of the fire service, who volunteered immediately; and the NGOs, who are doing such a good job in Haiti. Does the Prime Minister agree that there will come a time when we should reflect on how Britain, and the international community, can make the initial rescue effort even better, even faster, and even more effective? More immediately, will the Prime Minister update the House on the further action that Britain is intending to take to assist the international relief effort?

The Prime Minister: I am grateful to the right hon. Gentleman. It is of course a matter of immediate action followed by an assessment as to what can be done better in future. As I suggested two years ago, having a reconstruction and stabilisation agency that is ready, on tap, to deal with these problems is something that the United Nations must consider very seriously.

As for relief to Haiti, this still unfolding tragedy requires, first of all, firefighters and others to rescue people from under the rubble, and that is happening wherever possible. It requires food and medical supplies and, indeed, energy resources to be brought into Haiti, and that is happening as well. It requires the co-ordination of the medical services, which is being done principally by the Americans, but I can say also that we are sending a boat, RFA Largs Bay, to help with the effort; it will be able to help to unload supplies into Haiti. That is a decision that has been made this morning.

At the same time, I have talked to President Obama about what we can most do to help in the reconstruction of the Government effort in Haiti so that the Government can take further control over decisions that are to be made in the country. We have agreed that we will help to rebuild the office of the interior, the treasury and other areas where work can start so that the civil government can perform. We have medics in Haiti who are doing what they can to help.

Sadly, at least one British citizen has died as a result of the events in Haiti. I fear there may be further deaths once the whole damage that has been done is clear, particularly in the United Nations section of Port-au-Prince. We will do whatever we can to back up the 11,000 troops that the Americans have sent, and the medical supplies.

Mr. Cameron: I am grateful for that answer. It is not just that 3 million have been affected and 2 million left destitute, and that parts of the country have lost half their buildings; as the Prime Minister said, Haiti will need significant external help with everything, including its whole Government, for many years to come. Of course, we all want to see this old republic govern itself, but in the short and medium term, can the Prime Minister tell us what consideration he is giving to supporting new joint structures through which the UN and the Haitian Government can start to rebuild basic services and government for a people who have suffered so much?

The Prime Minister: First, on finance, the Canadian Government are organising a funding conference next week to make sure that the international allocations that countries should make to the rescue effort are made. I may say that the European Union has already offered €400 million as a result of a ministerial meeting that took place.

When I spoke to President Obama yesterday evening, I talked to him about the very issues that the right hon. Gentleman raised. I have also talked to Ban Ki-moon, the Secretary-General of the United Nations, in some detail about this. It is important, of course, that the Government of Haiti are seen as the legitimate Government, but it is also important that the United Nations and, of course, the principal provider of supplies, the United States, can work with most effect together to deliver the co-ordination that is necessary. President Obama has explained to me that in addition to the military effort, which is massive—11,000 troops have gone in with field medical hospitals and every other kind of equipment that is necessary to help people—there is also the civilian effort of USAID, which is working very hard in the region, and, at the same time, the work that is being done by President Clinton and President Bush to co-ordinate the relief that is being given to people.

All these things are designed to ensure that there is proper co-ordination. However, I agree with the Leader of the Opposition that there are lessons to be learned for the future. We have a 1,000-strong civilian team ready to go to areas where reconstruction and stabilisation are necessary; some of them are in Afghanistan at the moment. The world must, at some point, come to a decision, first, that funding has got to be available to move immediately when there is a disaster; and secondly, that we need the signing up of professionals who are able to go at a moment's notice to help where there is a disaster in future, and that will require a UN reconstruction agency.

Mr. Cameron: I am grateful for that answer, too. There is great agreement on the need for an early, swift and well-organised response.

I want to turn to a completely different subject here at home. The torture and appalling abuse of two children by 10 and 11-year-old boys in Doncaster has profoundly shocked the whole country. Later this week, a serious case review will be produced, but only a summary of it will be published. These dreadful events follow the death of seven children between 2004 and 2009 in Doncaster. Can the Prime Minister tell us why so many warning signs were missed and why it took so long for the Government to step in?

The Prime Minister: This is a matter that is in the courts at the moment, but we are all agreed about the seriousness of this case. For two boys to be assaulted in such a way by two other children who were at that time in the care of foster parents, but who had a history in which there had been social services and other interventions to try to deal with their problems, is one of the most tragic cases that we could see.

I do not want Britain to be defined by the appalling violence and irresponsibility that has been shown to these youngsters by two other youngsters. It is therefore important that we learn the lessons properly from what has happened. That is why a serious case review is undertaken. It has been said—the National Society for the Prevention of Cruelty to Children is one of the organisations that has suggested that this is the best course—that in the interests of people being able to tell the truth about what has happened, the summary is what should be published. That is what will happen, I believe by the end of this week. That serious case review will, in my view, demonstrate that there have been flaws in the organisation of social services. It is therefore necessary, with a new director of social services, with intervention already agreed by the Secretary of State for Children, Schools and Families and with Doncaster already under special measures as a result of that, that we learn all the lessons of what has happened.

Before the publication of the extract of the executive summary of the serious case review, we cannot draw all the conclusions that are necessary. What is clear is that the protection and security of our children will always be the foremost priority, and we should take every action we can to protect them.

Mr. Cameron: I am going to come on to the issue of whether we should publish the report in full, because I believe that we should, but if the Prime Minister wants to learn the lessons, clearly one of the most important lessons to learn is why so much went wrong for so long before we intervened. If we look at the catalogue of errors, we see that seven children died between 2004 and 2009. There were five serious case reviews—one did not appear for three years—and, of course, in every case only a summary was published.

In 2007, more than two years ago, a report talked about serious failures in Doncaster social services, yet it took more than a year and the deaths of five more children, including three from abuse, before the Government took over in 2009. Does not that alone demonstrate that serious case reviews are not leading to the correct action being taken?

The Prime Minister: Lord Laming looked at this last year and made recommendations which are being adopted. He also recommended that child safeguarding boards had to have independent chairmen, and that is what has happened in Doncaster. As far as the serious case review itself is concerned, I think we have to wait until we see the findings of that review. I would not want to prejudge that.

The reason why the whole review is not to be published is that we wish to protect the identity and names of the children as much as anything else. We have had this argument before. The executive summary is published, which allows us to draw conclusions. The problem in Doncaster, if I may say so, is that there were many actions taken, but they were the wrong actions. They were not actions designed to prove that we had children of violence who had to be separated from parents of violence at an early time. That, I believe, will come out in the serious case review summary, which will be published soon. I think the Conservatives should listen to some of the voluntary organisations on this matter, and to Lord Laming himself, and wait for the publication of the evidence. Then let us by all means have the debate that is necessary on what further measures we can take. We know that Doncaster had to be intervened upon, and we know also that a serious case review will reveal what happened.

Mr. Cameron: The Prime Minister tells us to wait for the publication of the review, but the review will not be published. Of course, I know that there are arguments on both sides about full publication, but are they not tipping in favour? The publication of summaries has not led to action. In the case of baby Peter, the summary was found to be completely inadequate—it was not worth the paper on which it was written.

The Prime Minister should consider this: reviews into murders by mental health patients are published in full and they manage the correct amount of anonymity. Why do we treat murders by mental health patients more rigorously than the torture and potential killing and murder of children?

The Prime Minister: I am sorry that the Leader of the Opposition is moving ahead on that point because every voluntary organisation and children's society that I know—and every professional whom I know—has recommended that the best way of proceeding is by publishing a summary of the serious case review. The reason is to protect the anonymity of the children and allow people to say things from which they can learn. The purpose of a serious case review is to learn lessons from what has happened. That is why the summary is published when people are clear about what lessons have to be learned. I hope that the Opposition will not stand isolated against all the professional advice and make an issue simply of whether we publish the summary or the serious case review, when we need to address the lessons that have to be learned from Doncaster.

Mr. Cameron: The problem is that we are not going to learn the lessons properly unless we get the information out to the public. The Prime Minister says that we should talk to professionals. Indeed, my hon. Friend the shadow Secretary of State for Children, Schools and Families spoke this morning to the NSPCC, which said that the matter was not black and white and that there have been occasions when the executive summary has provided a lack of clarity. A growing number of social workers, and their magazine, want those things published.

This is an appalling case of two children being dragged on to wasteland and tortured within an inch of their lives. It shocked the whole country. The Prime Minister talks about the publication of the report. *[Interruption.]* Instead of consulting, let him listen to this important point: the BBC, which has seen the report, says that the summary and the full report do not match up. Are not we in danger of having a cover-up if we do not publish it in full?

The Prime Minister: The court case is not yet completed. The serious case review has been leaked, but it has not been published. The summary will be published at the appropriate time. I have taken Lord Laming's advice, as has the Secretary of State for Children, Schools and Families—

Tim Loughton (East Worthing and Shoreham) (Con): The wrong advice.

The Prime Minister: The hon. Gentleman says it is the wrong advice, but Lord Laming is respected throughout the country for his work. The Secretary of State and I are taking the advice of many children's societies and professional organisations on the matter. It is important to recognise that the issue is what lessons we learn. How we do that is a matter of people looking at the summary of the serious case review. I ask the Opposition to consider the children's anonymity as an important issue, and also children's freedom to say to the inquiry what they think has happened and what they think has gone wrong. I hope that they will consider those important matters.

We went through this before on the baby P case. It was agreed then that we would have the report of Lord Laming, and he made the recommendations about the serious case review. I am sorry that the Leader of the Opposition asks me a series of detailed questions on an issue, when we do not have a final verdict in the court, when the summary is not even published, and when he has not read the report, either.

Mrs. Siân C. James (Swansea, East) (Lab): The child trust fund has been a wonderful success. It benefits the many, not the privileged few. However, does the Prime Minister agree that we must do more to encourage more and more families to take up the offer, particularly in constituencies such as mine in Swansea, East?

The Prime Minister: More than 4.8 million children now have a child trust fund. No child misses out at the moment. Unfortunately, the Conservative policy would take child trust funds away from two thirds of the children who would be eligible in future. Middle-class families as well as people on modest incomes need child trust funds so that they can save for the future. The Conservative party is out of touch with middle-income Britain.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I add my expressions of sympathy and condolence to the families and friends of Corporal Lee Brownson and Rifleman Luke Farmer from 3rd Battalion The Rifles who tragically died while serving so bravely in Afghanistan last week.

I thank the Prime Minister for what he said about the aid and relief efforts in Haiti. Everyone is shocked to the core by the sheer scale and ferocity of the terrible disaster that has hit a country that was already crippled by terrible poverty.

I should like to return to the issue of Cadbury's. Last month, Lord Mandelson declared that the Government would mount a huge opposition to the Kraft takeover of Cadbury's, so why does the Royal Bank of Scotland, which is owned by this Government, now want to lend vast amounts of our money to Kraft to fund that takeover?

The Prime Minister: If the right hon. Gentleman is really suggesting that the Government can step in and avoid any takeover that is taking place in this country overnight, and then tell a bank that it has got to deprive a particular company of money by Government dictate, his liberal principles seem to have gone to the wall.

Mr. Clegg: I thank the Prime Minister for the little economics lecture, but there is a simple principle at stake. Tens of thousands of British companies are crying out for that money to protect jobs, and instead RBS wants to lend it to a multinational with a record of cutting jobs. When British taxpayers bailed out the banks, they would never have believed that their money would be used to put British people out of work. Is that not just plain wrong?

The Prime Minister: Putting the words "liberal" and "principle" together seems very difficult now—*[Interruption.]* I have to tell the right hon. Gentleman that no Government are doing more to try to protect and increase jobs than this country's. Unemployment is falling today as a result of the actions we have taken. If we had taken the advice of the Liberal party, unemployment would be a great deal higher than it is now. He has nothing to offer the debate on the economy at all—*[Interruption.]*

Mr. Speaker: Order. The House really must calm down. We are making relatively slow progress. I want to get down the Order Paper, and I am determined to do so.

Mr. Michael Meacher (Oldham, West and Royton) (Lab): The Reform of the House of Commons Committee proposed that the House should have the opportunity to debate and vote on its recommendations within two months, and that period has elapsed. Will my right hon. Friend arrange a debate very soon? Since he also said—quite rightly—that this is entirely a matter for the House alone, will he also ensure that the House can have a free vote, both on the package as a whole and on each of the main recommendations?

The Prime Minister: First, I know my right hon. Friend is a reformer who wishes to see improvements in the way the House operates. We are grateful to the Committee for making proposals for reforming the Committee system. The Government will make time available for a debate and the House will have an opportunity to decide on the Committee's recommendations. The Government want the House to agree a way forward, and we will therefore propose accepting many of the Committee's recommendations, including electing Chairmen and members of Select Committees, scheduling non-Government business and strengthening the role of Back Benchers to hold the Government to account.

Q2. [311691] **Gregory Barker** (Bexhill and Battle) (Con): On Monday, Sir Michael Bichard published a report based on the testimonials of 60 senior civil servants in Whitehall. It concluded that the Prime Minister's Government is "weak" and dysfunctional, and that there is a "strategic gap at" its "heart". Indeed, it says there is

"a conspicuous lack of a single coherent strategy for government".

In particular, why does the Prime Minister think that one senior civil servant at No. 10 said that Ministers have lost their grip—*[Interruption.]*

Mr. Speaker: Order. I think we have got the drift.

The Prime Minister: The hon. Gentleman is going to have to do better than that. The report did not analyse the Conservatives' way of making decisions on married couples allowances and other issues. When the right hon. Gentleman said there was going to be one new policy every day this year, I did not realise it would be one new policy every day on married couples allowance.

We are getting on with the business of government. That is why unemployment is falling today, why we took action to help small businesses and why we co-ordinated Government action to help home owners. We are seeing the results of our actions. The unfortunate thing is that the Conservatives opposed every single measure we put forward.

Q3. [311692] **Mr. David Chaytor** (Bury, North) (Lab): Today's employment figures are good news for my constituents, and there are now almost 7,000 fewer people unemployed in Bury than during the last Tory recession. Would that have happened if the Government had simply let the recession take its course, and what more can the Government do to help my constituents get back into work?

The Prime Minister: For this Government, unemployment is not a price worth paying. We have taken action so that while in the 1980s recession, unemployment kept rising for five years, in this recession our action has seen unemployment falling and is helping young people into work. It is interesting that the Leader of the Opposition is not asking me about the economy today.

Angus Robertson (Moray) (SNP): The Chilcot inquiry has heard that the current Prime Minister was in the Iraq war inner circle and refused key payments for our troops on the front line. Will he confirm to the House that there is no impediment to him seeking a time to give evidence to the Chilcot inquiry before the general election?

The Prime Minister: This is, as I said, a matter for the Chilcot inquiry. I have written to Sir John Chilcot to say that I am happy to give evidence at any time. That is a matter for the Committee to decide and I will take whatever advice he gives me about when he wishes me to appear. I am happy to give evidence on all the issues that he puts forward and happy to satisfy the public of this country about our Government's commitment to the security of this country.

Q4. [311693] **Emily Thornberry** (Islington, South and Finsbury) (Lab): My friend would like to get married, but her boyfriend is not so keen. Should the Government give them some money to tie the knot, and if so how much?

The Prime Minister: It is the Conservative party that is tied in knots. Now that the shadow Business Secretary is in his place, I shall tell the House what he has said about this married couples allowance:

"I really don't think it's anything to do with politicians whether you"—

get married—

"and most of the younger people I know don't seem very keen on it. My view of Conservatism is that it's not for us to tell you"—

what to do through—

"the tax system—my wife didn't put up with me because I was getting £150 by way of tax allowance. This is social engineering for God's sake and when I joined the party we weren't in favour of it."

That is a verdict on the Leader of the Opposition from the shadow Business Secretary.—*[Interruption.]*

Mr. Speaker: Order. I am sure that the House wants to hear Mr. Mark Francois.

Mr. Mark Francois (Rayleigh) (Con): Thank you, Mr. Speaker. The power company E.ON has just announced that it will close its call centre in Rayleigh with the proposed loss of more than 600 jobs. Given that sad news, can the Prime Minister personally assure me that the Department for Business, Innovation and Skills and the Jobcentre Plus network will do absolutely everything that they can to assist my constituents and their families, and to help them to find alternative employment if that closure goes ahead?

The Prime Minister: I can assure the hon. Gentleman that the rapid response unit of the Department for Work and Pensions and Jobcentre Plus will be available to help his constituents if they are looking for jobs. Some 300,000 people are leaving the unemployment register every month, partly as a result of the action that Jobcentre Plus is able to take. We will be able to give his constituents advice, help and careers assistance, as well as, in some cases, work experience for young people looking for jobs in the future. We will do everything we can. I have to say to him, however, and I hope that he will note it, that all these measures are opposed by the Leader of the Opposition.

Q5. [311694] **Mrs. Betty Williams** (Conwy) (Lab): Is my right hon. Friend aware of the recent research done by the Institute for Fiscal Studies on how to tackle child poverty and help families? Does he share its analysis that the best way to tackle child poverty is through child tax credits and not through the policies advocated by the official Opposition?

The Prime Minister: We have had the Conservative document on the family published today and it does not mention that they wish to take child tax credits away from large numbers of people. It does not mention that they want to take the child trust fund away from large numbers of people. As for honest politics, if you publish a document and you do not tell people what your policy really is—*[Interruption.]* Last week, I said that the Conservatives should give up the posters and concentrate on policy. Now that I have seen their policy, I have to say that they are just as well with their posters.

Q6. [311695] **Mr. John Randall** (Uxbridge) (Con): May I ask the Prime Minister to look into the excessive delays within the Home Office in resolving the outstanding issues of funding for unaccompanied child asylum seekers in the London borough of Hillingdon, with all the financial consequences and possible implications for social cohesion?

The Prime Minister: I will undertake to look into the matter. The hon. Gentleman is talking about an issue that is obviously very serious for those affected and their families, so I will look into it carefully.

Alternative Vote System

Q7. [311696] **Mr. Graham Allen** (Nottingham, North) (Lab): What recent discussions he has had on the use of the alternative vote system for general elections; and if he will make a statement.

The Prime Minister: I have given a commitment that a referendum will be held early in the next Parliament so that people can decide whether they want to move to the alternative vote system.

Mr. Allen: Although there is no such thing as a perfect electoral system, the alternative vote would mean that every Member of Parliament returned would have the support of at least 50 per cent. of the local electorate. Unlike any proportional representation system, it would also maintain, and indeed strengthen, the constituency link that is so vital for all Members of Parliament. Will the Prime Minister therefore consider whether he can trust Members of the House and, ultimately, members of the public to have a serious discussion on electoral systems and consider what system they should use to send people here?

The Prime Minister: Ultimately, this must be decided by members of the public in a referendum. The advantage of the alternative vote system is that it retains the constituency link, which I believe is important not just to Members of the House, but to the whole population. Given the issues that have arisen about trust in politics, there is a case to be made for every Member coming here to have the support of more than 50 per cent. of the electorate, as a result of the alternative vote system. I believe that there is a case for a referendum on this issue, and that those who wish for reform will wish for a referendum on that basis.

Engagements

Q8. [311697] **Michael Fabricant** (Lichfield) (Con): The 200-year-old dam in my constituency, which is an earthworks dam containing the Chasewater reservoir, has started to leak. A recent engineers report stated that if it collapses, scores of lives will be lost and there will be a lasting effect on the west midlands. The small district of Lichfield does not have the funds to make the urgent repairs. Will the Prime Minister please use his best endeavours to ensure that the financial burden is spread over a much broader region?

The Prime Minister: Of course I will be happy to consider the hon. Gentleman's point, although I see that he is making the case for public expenditure.

Martin Salter (Reading, West) (Lab): On Friday, MPs and councillors of all parties and local military historians will gather to take forward plans to provide a

permanent memorial to Trooper Potts, Reading's only recipient of the Victoria cross, which he won at Gallipoli in 1915 in an act of outstanding courage. Will the Prime Minister, to whom I have written on this subject, offer a message of support for our endeavours to mark for ever the gallantry of this truly local hero?

The Prime Minister: I agree with my hon. Friend that a permanent memorial would be a great way of expressing not only our debt to the people whom he has mentioned, but our continuing debt to all those who have served our country, including those who have been honoured for doing so with bravery and having demonstrated the greatest of courage. I hope that his proposal can move forward; we will do everything that we can to help it.

Q9. [311699] **Andrew Rosindell** (Romford) (Con): Will the Prime Minister introduce an annual limit on immigration?

The Prime Minister: We have introduced a points system for immigration, which I believe is starting to work. The hon. Gentleman will see, from announcements coming soon, that the number of people whom we need to come to this country, to meet the demand for the skills, is being substantially reduced as a result of the skills and people being trained here. The points system is working: unskilled workers whom the country does not need and who cannot make a contribution to the economy are not allowed into the country.

Security and Counter-terrorism

12.34 pm

The Prime Minister (Mr. Gordon Brown): With permission, Mr. Speaker, I should like to update the House on the measures that we are taking to enhance our security and our protection against terrorism. Yesterday, at a regular meeting of our National Security Committee, Ministers and I received the latest intelligence and information from the chiefs of our security and intelligence agencies, the head of the UK Border Agency, the country's senior counter-terrorism officials and police officers, and the Chief of the Defence Staff. Yesterday I also spoke to President Obama about our security measures.

The failed attack over Detroit on Christmas day signalled the first operation mounted outside Arabia by Al-Qaeda in the Arabian Peninsula, the Yemen-based organisation with close links to the al-Qaeda core in Pakistan. We know that a number of terrorist cells are actively trying to attack Britain and other countries. Earlier this month, the Home Secretary and the Transport Secretary made statements to Parliament setting out the urgent steps that we are taking to enhance aviation security, including new regulations for transit passengers. Today, following the advice that the Government have received, I want to announce further measures to strengthen the protection of our borders, maximise aviation security, and enhance intelligence co-ordination at home and abroad.

Earlier today I paid tribute to those members of our armed forces who most recently gave their lives in the service of the security of our country in Afghanistan. The action that we are taking to counter terrorism at its source in the Afghanistan-Pakistan region and elsewhere is a central part of our wider counter-terrorist strategy. All our actions, which we will update regularly, are founded on what is and must be the first and most important duty of Government: the protection and security of the British people.

Although the UK's borders are already among the strongest in the world, I now want to set out how we will further strengthen our protection against would-be terrorists: first, by extending our Home Office watch list; and secondly, in partnership with security agencies abroad, by improving the sharing of information on individuals of concern. I can announce that, as well as extending our watch list, we intend for the first time to use it as the basis for two new lists: first, a no-fly list; and secondly, a larger list of those who should be subject to special measures, including enhanced screening prior to boarding flights bound for the UK. We will use the new technology that we have introduced and our partnerships with police and agencies in other countries to stop those who pose the greatest risk from travelling to our country. But over the coming months we will go further in taking action against people before they even board a plane to the UK.

Our e-Borders scheme is a vital component of our strategy to strengthen and modernise the UK's border controls. It has already achieved significant success, enabling nearly 5,000 arrests for crimes that include murder, rape and assault. As a result of the £1.2 billion investment that we are making, by the end of this year we will be able to check all passengers travelling from other countries to all major airports and ports in the UK, whether they are in transit or the UK is their final destination, by checking against the watch list 24 hours prior to travel and then taking appropriate action. The e-Borders system will give us a better picture than ever of people coming in and out of our country. My right hon. Friend the Home Secretary is meeting today with European counterparts to push for swift agreement at the European Union level on the ability to collect and process data on passenger records, including travel within the EU, and to enforce the European Commission's recent approval of the transmission of advanced passenger information to our e-Borders system by carriers based in other member states.

As the Detroit bomber highlighted, we also need—and we are sponsoring—research on the most sophisticated devices capable of identifying potential explosives anywhere on the body. As President Obama and I discussed yesterday, greater security in our airports, with the new body scanners introduced from next week, an increase in explosive trace testing and the use of dogs, must be matched by demanding greater guarantees about security in those international airports from which there are flights into our country. I can today inform the House that we have agreed with Yemenia Airways, pending enhanced security, that it suspends its direct flights to the UK from Yemen with immediate effect. We are working closely with the Yemeni Government to agree what security measures need to be put in place before flights are resumed. Aviation security officials are currently in Yemen looking at this. I hope that flights can be resumed soon, but the security of our citizens must be our priority.

We will also work with our partners in the International Civil Aviation Organisation, the EU and the G8 to promote enhancements to the international aviation security regime, including stronger security arrangements in airports and greater sharing of information. The Home Secretary will be discussing initial proposals with European and American counterparts this week. We want to offer increased assistance to countries whose weaknesses in aviation security may present a wider threat to the international community, including to the UK.

It is because we fully recognise the global nature of the terrorist threat we face today that our response must also be truly global. Plots against the UK and our interests originate in various parts of the globe. Some of the intelligence that we need in order to protect our people against attacks will be here in Britain; some will be held by our international partners and passed to us, just as we help them with our information about the threats they face; and some information will come from the most unstable parts of the world. So, in tackling these threats to life and to our way of life, our security services—and I pay tribute to all of them—need to be able seamlessly to track and disrupt terrorist activity and movements, whether within the UK or beyond. This requires ever-closer working between our agencies themselves, and with our international partners.

I can announce that, as part of the work that I have asked the Cabinet Secretary to lead on intelligence co-ordination, our three intelligence agencies have already begun to set up joint investigating and targeting teams to address potential threats upstream, long before the individuals concerned might reach our shores, ensuring that at all times we continue to deliver improvements in

the way we collect, share and use intelligence, and building on previous reforms including the joint terrorism analysis centre that we set up in 2003, the office for security and counter-terrorism and the national security secretariat in 2007.

In addition to all those measures to protect British lives at home and in the air, we are tackling the problem of global international terrorism at its source. I have said before that Yemen is both an incubator and a potential safe haven for terrorism, and that, along with Somalia, it is the most significant after the Pakistan-Afghanistan border areas. We and our allies are still clear that the crucible of terrorism on the Afghan-Pakistan border remains the No. 1 security threat to the west. At the same time, however, we must recognise that al-Qaeda's affiliates and allies, pushed out of Afghanistan and increasingly under pressure in Pakistan, are seeking to exploit other areas with weak governance, such as parts of Yemen and Somalia.

In Yemen, we have been at the forefront of the international effort against terrorism for some time. We have been assisting the Government of Yemen through intelligence support and through support for its coastguard and for the training of counter-terror personnel. We are also helping to tackle some of the root causes of terrorism by supporting political, economic and social reform. By next year, our commitments to Yemen will total some £100 million, making the UK one of its leading donors. We are also increasing our capacity-building in Somalia, working with the transitional Government and the African Union.

As with all aspects of the fight against terrorism, this new threat can be met only through enhanced co-operation, so we will now work more closely with allies in the region to pool efforts, resources and expertise. Next week, here in London, alongside our conference on Afghanistan, we will be hosting a special meeting to strengthen international support for Yemen in its efforts against al-Qaeda. We will help the Government of Yemen to advance their internal reforms, and we will increase capacity-building and development assistance in a way that directly addresses poverty and grievances that could fuel insecurity and extremism.

Since 2001, we have reformed domestic defences against the terrorist threat, trebled our domestic security budget, doubled the staff in our security services and reformed our security structures to bring greater co-ordination across government. We have responded to the changing nature of the threat by bringing in new powers and new terrorism-related offences. Nearly 230 people have been convicted of terrorist or terrorist-related offences since 2001. Today's announcements demonstrate that we will continue to be vigilant, adapting our response to changing terrorist techniques. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): I thank the Prime Minister for his statement. There is much in it that we welcome. We particularly welcome the emphasis on the national security approach—something that we have consistently called for over the past four years. I want to ask the Prime Minister about four areas in particular: the radicalisation of young British Muslims; how to increase security at our borders; international co-operation; and co-ordination within our own Government.

First, on radicalisation, is not the key point about the Detroit bomber that he did not go to Yemen by accident and happen to get radicalised there? He was actually radicalised first in the United Kingdom and went to Yemen as a result. Does not that show that more needs to be done to tackle radicalisation right here in the UK? We welcome the belated decision to ban Islam4UK, having repeatedly called for it. Will the Prime Minister now go ahead and ban Hizb ut-Tahrir? The fact is that too many of our university campuses have tolerated organisations that have acted as incubators of terrorism. Is not one of the lessons of the last few years that we should act not only against the organisations that threaten violence, but against those that threaten our way of life as well? Is it not time for a proper review of the preventing violent extremism strategy?

Secondly, there is the question of the security of our borders. We welcome many of the things that the Prime Minister said, particularly on the issue of a no-fly list. The subject of the list was raised by our security Minister, Baroness Neville-Jones, and we very much welcome its introduction. The introduction of body scanners is also welcome, but will the Prime Minister say whether he believes that they would have prevented this particular individual from boarding the aircraft in Amsterdam?

As for the question of how we decide to search people at airports, obviously crude ethnic profiling is neither right nor effective, but that surely does not mean that we should not be thinking about how best to target our approach. I understand that the Detroit bomber appears to have displayed a number of high-risk factors: paying for the tickets in cash, carrying only hand luggage, and having previously been denied a United Kingdom visa. Does the Prime Minister agree that those factors should have set the alarm bells ringing? Can he tell us what is being done, in the light of this episode, to enhance the training of security staff at airports to identify those clear risk factors? Above all, when it comes to our borders, is it not time for a proper border police force rather than the pale imitation that we have had so far?

Thirdly, international co-operation is obviously exceptionally important. Clearly we need to work with the authorities in Yemen to address the growing threat emanating from that country. We welcome such co-operation, but is it not important that these matters are handled properly? We were initially given the high-profile announcement of a big conference on Yemen next week, which now turns out to be a two-hour meeting in the margins of the summit on Afghanistan. Can the Prime Minister explain how that came about?

Can the Prime Minister clear up another matter? On 4 January, his official spokesman said—I quote from Downing street's published record of the briefing—that

"there was security information about this individual's activities, and that was the information that was shared with the US authorities."

As we know, there followed a dispute about whether information was passed or not. Can the Prime Minister now promise that he will stick to the fundamental principle that we do not comment on intelligence matters?

Fourthly, there is the question of co-ordination within the Government. I know the Prime Minister agrees that we need a properly established national security approach, and we welcome the progress towards that, but does he agree that rather than a Cabinet Committee, what we

[Mr. David Cameron]

need is a proper national security council with a national security adviser, at the heart of Government, which can address these issues in the round? The Prime Minister will say that we already have one, but let me put this point to him. If we really have a national security approach—if we really think these things through—we should bear in mind that we will still be spending more on aid to China than we are spending on aid to Yemen. We should take that into account if we are really thinking about national security.

Finally, the Prime Minister spoke about anti-terror legislation. We will always support measures that provide the hard-nosed defence of liberty, and oppose measures that amount to ineffective authoritarianism. With that in mind, will the Prime Minister now admit that the attempt to introduce 42-day detention without trial was a politically motivated mistake?

The Prime Minister: I hoped that we would find in the right hon. Gentleman's response more consensus than we appear to have discovered. First, let me advise him not to draw conclusions too quickly about the nature of the citizen who was arrested for the Detroit incident. We do not have the full information that he suggested we had about the radicalisation in the United Kingdom; nor do we have all the information about the individual's activities in Yemen. That is part of the continuing investigation. I think that drawing conclusions immediately is both premature and dangerous.

It is a fact that we have excluded more than 180 people from our country on grounds of national security since 2005, and that we have excluded more than 100 individuals on grounds of unacceptable behaviour. Since July 2005, eight individuals have been deported on grounds of national security, and a further eight have made voluntary departures. So we take action when it is right to do so, and on the proscription of organisations, we take action when we have evidence that will stand up in a court of law. Decisions on proscription must be based on evidence that the group concerned is involved in terrorism as defined in the Terrorism Act 2000. It is not a party political decision that is being made, but a decision on legal grounds that can be challenged in the courts. That is why the decision on Islam4UK was made in the way in which it was made, and that is why we have been careful in relation to what has happened over the organisation called HuT.

Let me say something about body scanners and what happened in Amsterdam. We are investing a huge amount of money in trying to develop the most sophisticated techniques for identifying materials that are held in people's bodies when they go through a search. We cannot be absolutely sure that the scanners we use at the moment are foolproof; they are the best we have at the moment, but we will continue to invest further in them. The point I am making today is if the UK invests in scanners, it will be necessary for other countries also to develop these sophisticated techniques so that we have protection not only in our country's airports, but in the airports from which people travel to our country.

Let me deal with e-Borders, which involves the holding of data about people. I am grateful if the Leader of the Opposition is saying that he now withdraws his objections to the holding of such data because it is an essential part of the national security effort that we are going to carry out in future months. Through e-Borders, we have the possibility of getting information 24 hours in advance of a passenger's flight into the UK, of being able to check that individual against the watch list and of then deciding whether that individual should be allowed to fly or should be subject to enhanced searches. That is a major advance that is going to happen during the course of this year as a result of the huge investment we have made in e-Borders.

As far as international co-operation is concerned, the Yemen conference is a necessary means by which we can signal to the people of Yemen that the international community is prepared to support them in their efforts against al-Qaeda. I thought it right, and so did the President of the USA, to bring people together on the eve of the Afghan conference to signal the importance we attach both to Yemen taking action against al-Qaeda and to supporting those people in Yemen who are fighting these terrorist groups.

As far as announcements made over Christmas are concerned, it is the practice for us not to comment on security information and that will continue to be the practice that is always followed in future. The Government's policy is absolutely clear about that. I do think, however, that we should look at the wider picture here today and I am sorry that the right hon. Gentleman has not drawn himself into this debate. The counter-terrorism strategy we need starts from what we do in the UK by securing our borders. It means having enhanced co-operation with the security agencies of other countries at all times, and it means that the de-radicalisation work we are carrying out goes on not simply in Britain but in other countries throughout the world to expose the extremists and to support the moderates and reformers. It leads us to take action in the Afghan border area to make sure that al-Qaeda cannot again gain a foothold in Afghanistan that would allow the Taliban to get back into power. I would have thought—I hope and I continue to hope—that there would be complete consensus in all parts of the House on these issues.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I thank the Prime Minister for his statement. The changing and evolving threat to Britain's security not only calls for constant vigilance, but demands regular review and debate in the House. The Prime Minister can always count on the support of those on the Liberal Democrat Benches in introducing proportionate and well thought through measures to reduce that threat, while of course protecting the traditional liberties of the British people.

I particularly welcome the part of the statement about increased joint working with our European and other allies; in a globalised world, such European co-operation is vital to tackle any threat. That is why I have always advocated more, not less European co-operation in this area; our basic safety depends on it. I also welcome what the right hon. Gentleman said about the upcoming UN conference to discuss approaches to the situation in the Yemen and the horn of Africa; the joint working of our intelligence agencies to identify and combat threats at the earliest point at which they emerge; and the extension of the e-Borders programme, which is vital if we are to gain the information we need about people coming into and leaving the UK.

If I understand it correctly, the Yemeni authorities claim that there are only a small number of hard-line

al-Qaeda supporters in the country. Will the Prime Minister tell us how that small number of people will be targeted in order to ensure that we do not inflame moderate opinion in Yemen? Does he agree that the greatest challenge is to isolate and marginalise al-Qaeda supporters in the horn of Africa rather than take steps that will have the unintended consequence of boosting their support in this fragile region?

The Prime Minister will know that Liberal Democrat Members believe it is vital to get right the difficult balance between security and liberty and that Government efforts in the past often got that balance wrong. This week, the court ruling on compensation for those given control orders has surely put another nail in the coffin of this failed system. As the former Home Secretary, the right hon. Member for Airdrie and Shotts (John Reid), said in respect of these orders, they have got holes all through them. Will the Prime Minister now accept that control orders do not work and will he agree not to renew them when they expire in March? Will he focus his intentions instead on ways of making it easier to prosecute terror suspects in our courts?

The Prime Minister: It is important to get the balance right between the need to protect the liberties of every individual citizen and the security that every citizen in this country has the right to expect. We will look at the judgment on control orders, but I have to say that in ensuring the protection of our country's security, it has been necessary for us to track a number of people who might be dangerous and could otherwise threaten the security and law and order of our communities.

I agree with the right hon. Gentleman's points about Yemen and Somalia. Our job is to make sure that we can help the legitimate Government in Yemen to deal with extremism within its borders, to expose extremist and radical preachers who have a perverted view of Islam, to encourage the moderates and reformers, and to ensure that we bring into alliance with us the people of Yemen who have other interests that need to be met, but who cannot and should not look to al-Qaeda for the solution to their grievances. The same issues apply in Somalia as well. I assure the right hon. Gentleman that our policy in Somalia and in Yemen, as in Pakistan, is to back those elements who are standing firm against al-Qaeda and against a perverted view of Islam on the basis of which jihad is preached against the rest of the world.

As far as measures taken here are concerned, I emphasise to the right hon. Gentleman that maximum care is taken to deal with the civil liberties issues that arise in every case. For example, in installing the security machines at airports to ensure that security checks are properly done, we have designed a code of conduct to protect the liberties of the individual.

Mr. David Blunkett (Sheffield, Brightside) (Lab): My right hon. Friend will be aware that the control orders to which the right hon. Member for Sheffield, Hallam (Mr. Clegg) has referred were introduced by my successor as Home Secretary, following the House of Lords judgment in December 2004, which overturned section 4 of the Anti-Terrorism, Crime and Security Act 2001. Given the key issues of admissibility and disclosure and the failure of the judiciary to respond to the consultation in early 2004 on alternatives that would have allowed the court system to deal with admissibility and disclosure—but with sufficient privacy to protect sources—will my right hon. Friend consider consulting the President of the Supreme Court, the Lord Chief Justice and colleagues, along with the Home and Justice Secretaries, to ask the judiciary if it has proposals to help us develop an alternative rather than simply to strike down the alternatives that we put together in this House?

The Prime Minister: No one knows more about this issue than my right hon. Friend, who is well versed in the debates that took place at the time. When he was Home Secretary, he had to take very difficult decisions to deal with the terrorist threat in our country, and I applaud him for the work he has done. He is absolutely right that any further decisions have to be based on maximum consultation and discussion with the people whose advice we ought to seek. The Home Secretary and the Justice Secretary will, of course, be in contact with the judiciary on these matters.

Sir Peter Tapsell (Louth and Horncastle) (Con): May I again put it to the Prime Minister that nothing more certainly fuels international terrorism than the stationing of foreign troops in Islamic countries?

The Prime Minister: I have to disagree with the hon. Gentleman. Afghanistan was rid of the Taliban and al-Qaeda only through the action taken by the US, the UK and other allied forces. But for that, the Taliban would still be in power and al-Qaeda would still have the licence to roam within Afghanistan and to plan its attacks on Britain and other countries from there. We took the action we did as part of a 43-nation coalition, which was supported by the UN and is still supported by the UN. This is one of the widest alliances ever formed; the reason for it is that we must prevent al-Qaeda from getting space in countries like Afghanistan in order to threaten the rest of the world.

John Reid (Airdrie and Shotts) (Lab): I very much welcome the lead that the Prime Minister has shown today; his statement is concise, comprehensive and resolute. May I also encourage him to stick to an evidence-based approach, because nothing would be worse than taking action that is not justified by our existing law, and which would ultimately give a propaganda coup to those whom we seek to curb in their aims of terrorism? In that context, will he continue to seek consensus, not only throughout this House but throughout the country, and ensure that there is a communication and explanation strategy for the public, who will be inconvenienced by these measures, but will ultimately be protected by them?

The Prime Minister: My right hon. Friend is right—and again, he has done so much to alert us to the problems that terrorism can bring, and to the security measures necessary to deal with them. He, like me, is aware that we need to build public confidence in what is being done, that the introduction of checking at airports has to be explained to the public and that the civil liberties issues need to be dealt with, so that people feel satisfied that this is being done in their interests and in the security interests of the country.

As for proscription, it is easy to call for the proscription of one organisation or another, but it is the most difficult thing to ensure that we have a case that can

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stand up in court. That is why we have been careful about the organisations that we proscribe. If we were to proscribe an organisation and it were to win a case in court against us, that would, of course, be a propaganda victory for that organisation against a decision that we had made. So we must be sure about the evidence that we have before we make these decisions, and it was by an intricate examination of the work of Islam4UK that we came to the conclusion that it should be proscribed.

Sir Menzies Campbell (North-East Fife) (LD): Does the Prime Minister accept that the more complex the threat, the more sophisticated the means necessary to deal with it, and in turn, the greater the resources required to do so? Given that we are about to embark on a period of severe restriction of public expenditure, what assurances can he give that the three intelligence agencies in this country will have the resources to enable them to fulfil their primary responsibility: the protection of British citizens?

The Prime Minister: Because we have trebled the resources available to the security agencies since 2001 and because we have doubled the number of staff available to them, they face the future from a platform where the investment has already been made, and is being made, in the development of their service—both in their technology and, of course, in the expertise in their staffing. I believe that the decisions we made from 2001 to now to increase investment in the security services have been some of the most important—and, of course, expensive—decisions that have been made. But they have been the right decisions, and they mean that the security services are building on a very strong foundation.

Jacqui Smith (Redditch) (Lab): I welcome my right hon. Friend's commitment to continue the development of and the investment in the e-Borders system, which is so important, not only in enabling us to count people in and out of the country, but in tracking those who may pose a risk. I fear that he may be premature in believing that the Leader of the Opposition has withdrawn his concerns or opposition to the e-Borders scheme. Regardless of the fluctuating position of Conservative Members on this system, can my right hon. Friend reassure us that he will maintain a commitment to collecting the information and investing in the technology necessary to protect us from the international threat from terrorism?

The Prime Minister: I am grateful to my right hon. Friend for pointing out that this is an important part of the protection of British citizens. Having a check that can be done prior to travel, as a result of an e-Borders system in which we have invested more than £1 billion, is a very important element of the security of our country, and I praise her work in developing that system, and the action she took to counter terrorism when she was Home Secretary.

I must also say that sometimes the Conservative party does not want to understand the measures that we are already taking. We have a National Security Committee in place. The Leader of the Opposition sometimes gives the impression that that does not include the chiefs of our security agencies, the Chief of the Defence Staff or all those people who are charged with addressing the security issues of our country, and he wants to create some new committee that does include them. Those people are already on the National Security Committee. We regularly publish a national security strategy and we have set up a national security secretariat in the Cabinet Office. We have a national security forum, which I met only last week and which gives us advice from experts around the world about our security. We also have a cadre of experienced conflict and stabilisation experts. All the things that the document he produced last week suggested should be done are already being done.

Mr. Ben Wallace (Lancaster and Wyre) (Con): The Prime Minister will know that the most successful attack by Al-Qaeda in the Arabian Peninsula took place using a cavity bomb—a bomb inserted inside a human body. No technology is currently available to detect that threat, and traditionally we used to use the defence research budget to fund new technologies in order to keep one step ahead of terrorism. Under the Prime Minister's watch that budget has been cut by 23 per cent. in the past three years. I recognise that the Government have spent money on personnel and structures, but will he review that cut again, because without such a review we will not get the technology to solve the problem?

The Prime Minister: But science expenditure has doubled over the past 10 years, and the security Minister, Lord West, has asked companies around the country to work with him on developing new measures and new technologies that can deal with the detection of exactly what the hon. Gentleman is talking about. Therefore investment has been made, and we are prepared to make the investments that are necessary. I ask him to look at the overall picture of science investment in this country, and at Lord West's invitation to companies in this country to be involved in developing the new technology. In fact, it is Smiths Industries, one of the British companies, that is developing the border scanner, and it is doing so with great distinction.

Mr. Wallace: It is American money.

The Prime Minister: It is a British company—and I wish the hon. Gentleman would not keep talking Britain down.

Keith Vaz (Leicester, East) (Lab): I welcome the Prime Minister's statement and thank him for agreeing to meet the all-party group on Yemen in advance of the conference next week. Following the Detroit incident, President Obama said that there had been a "systemic failure" in the security apparatus in the United States. In the evidence that has been given to the Select Committee's counter-terrorism inquiry, a number of witnesses have talked about information being retained in home Departments—for example, the Department for Transport and others—rather than being sent to the Home Office. Does he agree that co-ordination is vital? That means strengthening the office for security and counter-terrorism, which was created by the right hon. Member for Airdrie and Shotts (John Reid). Will the Prime Minister also look again at the idea of a national security council, because there is a need to co-ordinate on a political level, as well as co-ordinating on the practical operational level through the OSCT?

The Prime Minister: The National Security Committee involves all the major Ministers in government, as well as the Chief of the Defence Staff, heads of the security agencies and all those who are charged with the security and protection of the country. On co-ordination between the different agencies, my right hon. Friend is right about the innovations that were introduced by my right hon. Friend the Member for Airdrie and Shotts. Equally, we are moving forward, because the Cabinet Secretary is reporting on intelligence co-ordination and our three intelligence agencies are setting up joint teams to address potential threats upstream. That is where we can make major advances to prevent individuals about whom we are worried from ever reaching our shores. We continue to look at better ways of delivering improvements in the way we collect, share and use intelligence.

Mr. Brian Binley (Northampton, South) (Con): Iran is a major promoter of global terrorism, yet rumours of a prisoner swap to free Peter Moore continue. The timing of his release coincided with that of Qais al-Khazali, a senior figure in the group that kidnapped Mr. Moore, which is backed by Iran. Will the Prime Minister confirm that Mr. Moore was not part of a prisoner swap, and that Government services were not involved?

The Prime Minister: I can confirm what the Foreign Secretary said about the release of Mr. Peter Moore: that it was done in the way that he described, without any arrangement with the Iranian Government.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Aviation security requires combining specific measures at airports with international intelligence. Can the Prime Minister tell us what specific steps he will be taking to strengthen the weak spots globally in security and in intelligence? Could he also say what action he is taking on internet hate, such as Hamas's al-Fatah website, which is preaching hatred to children at this moment?

Mr. Speaker: Order. It is a little cheeky, if by no means unprecedented, for the hon. Lady to ask two questions, but I know that one answer from the Prime Minister will suffice.

The Prime Minister: On the second part of my hon. Friend's question, I can say that the Home Office is looking closely at that issue. On the question of airport security—I know that she is the Chairman of the Select Committee on Transport and does a great job in that regard—it is important to recognise that the measures we take at British airports will work best if they are accompanied by measures in other countries. That is why we are offering other countries that need help to develop greater security at their airports our help, training for their staff and advice on technology.

Philip Davies (Shipley) (Con): It is now three years since the Government signed the e-Borders contract, but as the Prime Minister admitted, the programme still does not allow us automatically to deny boarding to passengers who are deemed a security risk. Will the Prime Minister explain why we are still waiting for an authority-to-carry function in the e-Borders programme, when the Government originally promised that it would be in place by October 2008?

The Prime Minister: I read out the number of people who had been caught coming through our borders as a result of the success of the e-Borders system. The hon. Gentleman cannot claim that the system is a failure when large numbers of people have been prevented from entering this country, and when crimes have been detected as a result of what it is doing. I said that the targets we set for the e-Borders system would be completed by the end of 2010, and that is exactly where we are.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): What my right hon. Friend said about helping to achieve stability in Yemen will be welcomed by Yemenis in my constituency, who have long been concerned about the situation in their country. On Somalia, we all want to see the interim transitional Government succeed in bringing stability to the south, but they do not yet even control Mogadishu. Will he also continue the Government's engagement with the Government of Somaliland in the north, which for nearly 20 years has been a beacon of stability and democracy in the horn of Africa, and continue to reward that success?

The Prime Minister: I appreciate what my right hon. Friend is saying, and he speaks with a great deal of knowledge about what has happened in Africa over the years. We will work with all Governments against the terrorist threat. The real danger is that al-Qaeda can find areas where there is temporary or permanent instability, exploit that to make them their training ground, and cause chaos in the region around them. We are determined to work with like-minded Governments to prevent the terrorist threat from developing. I keep saying that we must expose extremism and back the reformers and moderates who want to show that the view of Islam as perverted by al-Qaeda is completely false.

John Barrett (Edinburgh, West) (LD): As someone with an airport in the heart of my constituency, I welcome the announcements that the Prime Minister has made today. However, does he share my concern—and is he shocked to hear—that Edinburgh airport, which is very close to his constituency, announced this week that it plans to abolish the post of head of security? Will he contact BAA and the Civil Aviation Authority to find out what is going on?

The Prime Minister: The important thing is that BAA and Edinburgh airport take their responsibilities for security seriously. I think that the hon. Gentleman and I are both agreed on that. Every airport in the country will be responding to the demand for tighter security measures, and I believe that if they are implemented properly the inconvenience to passengers can be minimised. The new measures and the new technology that are being introduced could, over time, make the transit of passengers not less fast, but in fact speed it up. That is a matter to be worked out over the next few months, but I shall obviously look into the case mentioned by the hon. Gentleman.

Mr. Denis MacShane (Rotherham) (Lab): Is the Prime Minister aware that Mr. Azzam Tamimi, a preacher of hate who has boasted on the BBC about his support for suicide terrorist bombing and hatred of Jews, has been invited to speak on the university of Birmingham campus? Professor Eastwood, the university's vice-chancellor,

[Mr. Denis MacShane]

defends that by saying that it is a matter of freedom of expression. Does the Prime Minister agree that freedom of expression, which is vital, is not the same as providing a platform for hate? We have to shut down those incubators of hate against our values and against the Jewish people.

The Prime Minister: My right hon. Friend raises an important point about how our universities will respond, over time, to an attempt by some people to use them as a breeding ground for extremist activity. We must always get right the balance between the academic freedom that is at the heart of what universities are about and the maintenance of security in our country. I know that most vice-chancellors want to play their part in helping us to do that.

Mr. Gary Streeter (South-West Devon) (Con): On e-Borders, the Home Affairs Committee heard some impressive evidence quite recently that showed that introducing e-Borders in ferry ports attracted a number of fairly insurmountable practical and logistical problems. The Prime Minister now anticipates that the scheme will be in place by the end of the year. Has he overcome these practical problems—and if not, is there any point in closing the front door and leaving the back door open?

The Prime Minister: My hon. Friend the Minister for Borders and Immigration, who deals with these issues, says that coach operators are met regularly. We have dealt with the problems that they have raised as a result of the operation of the system, and these problems are perfectly capable of being worked out.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I welcome what my right hon. Friend had to say, particularly about the importance of sharing intelligence with our close allies. Does he have any concern that the unwillingness of our courts to protect the secrets of our close allies might have an effect on their willingness to continue to co-operate at the very high level at which they have co-operated in the past?

The Prime Minister: My right hon. Friend speaks with some knowledge on these issues, and his membership of the Intelligence and Security Committee, which deals with these matters, is valued in the House. Of course these are issues about which we must be concerned.

Dr. William McCrea (South Antrim) (DUP): I acknowledge the serious threat against the United Kingdom from international terrorists, and any resolute action that is to be taken against them is welcome. However, the Prime Minister is also aware of the serious threat that continues in the United Kingdom from republican groups. I speak with reference to a young police officer who was the victim of attempted murder in my constituency, Peadar Heffron. He is a very courageous young police officer, who was standing in between us and terrorism. Will the Prime Minister assure this House that the Government will do everything within the United Kingdom to hunt down those responsible for that attack as well as taking action on international terrorists?

The Prime Minister: Yes, I can give the hon. Gentleman an absolute assurance that terrorism and violence cannot be justified in any circumstances. I followed the tragic case of this shooting and I hope that the officer can now recover. I know that he has had huge difficulties as a result of the injuries that he sustained. In no place and in no circumstances can extremist action and violence ever be justified.

Mr. David Winnick (Walsall, North) (Lab): Recognising that the overwhelming majority of Muslims in Britain are opposed to terrorism, is it not important to engage Muslim organisations and individuals in combating extremism, particularly, as has been said already, in universities and prisons where the hate merchants are doing their best to spread their notorious poison—anti-Semitism and racism in general?

The Prime Minister: My hon. Friend is absolutely right. At the heart of everything we do is the need to prevent the radicalisation of young people by organisations that wish to provide a perverted view of the Islamic religion and wish to exploit that to encourage people to commit violent and terrorist acts. I keep saying that we will do that by exposing the extremists. It is important, therefore, that people stand up against extremism in university campuses and wherever else it is practised. We must also back these reforming and moderate voices and give them the support they need to show young people that the ways of al-Qaeda and other organisations are the ways of violence, and are completely unacceptable.

Mark Pritchard (The Wrekin) (Con): Given that Abdulmutallab is known to have travelled through Addis Ababa on 7 December, what practical support and advice can the Government give to airports in those friendly middle eastern and African countries that act as regional airport hubs?

The Prime Minister: My understanding is that we are giving advice to those airports at the moment. We are in touch with some of them, including the one that the hon. Gentleman mentioned.

Mark Durkan (Foyle) (SDLP): The Prime Minister, in his answers, has recognised the dangers of feeding the propaganda agenda of terrorists. In his statement, he also referred to the need to intensify co-operation with the police and other agencies in other countries. Given that some of those countries will themselves have dubious regimes, and those agencies will have questionable reputations, how can he ensure that the character of that co-operation will not become a propaganda feed for subversives?

The Prime Minister: We have to be very careful in what we do. It is important that we support legitimate Governments and work with those elements that wish to discourage extremism at all times. It is very important that we build a coalition of countries that are prepared to take on al-Qaeda and other terrorist activity. I think the lesson of the Afghanistan campaign is the fact that 43 countries were prepared to come together to get rid of the Taliban and al-Qaeda from Afghanistan. The lesson from that, and from the conference held by the friends of Yemen next week, is that people are willing to come together to support countries in taking action against terrorism.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): As the new scanners start to be delivered, it is important that the maximum number of passengers can be processed through them. Will the Prime Minister therefore look at a system that is already in place at Manchester airport,

under which if a passenger trips a scanner, they are automatically diverted into a separate channel for body search, thereby allowing other passengers to proceed without delay?

The Prime Minister: Yes, I think that is being piloted in Manchester, and we are looking at it very carefully. *[Interruption.]* The Minister of State for Transport is sitting next me, and he says this is one of the areas in which further research is being done.

Barry Gardiner (Brent, North) (Lab): Last week the European courts ruled against the section 44 stop-and-search powers as applied by the Metropolitan police. Does my right hon. Friend agree that most of the citizens of our country wish those powers to be used to protect them and other members of the public, but they want to be absolutely sure that they are properly circumscribed, applied and monitored—and will he ask the Home Secretary to liaise with the head of the Metropolitan police force to ensure that that is the case?

The Prime Minister: My hon. Friend raises a very important point, but we are dealing here with a European judgment and the Home Secretary is currently reviewing it.

Bob Spink (Castle Point) (Ind): I am grateful for the excellent work the Government are doing on air travel and borders, but in our country we have the phenomenon of home-grown terrorists. Does the Prime Minister agree that we must be vigilant in protecting passengers, particularly those who travel into London on trains and the tube, as that is probably still the main threat?

The Prime Minister: We should be vigilant at all times. We know that terrorist groups would like, if they had the chance, to cause chaos in the United Kingdom. We know also that we have to improve at all times the security of our trains and our transport infrastructure, and the protection of people in public places. Lord West is co-ordinating the work that is being done to see what measures can be taken to improve security in all these areas, and we will continue to update our counter-terrorism strategy in the light of all the new information we have.

Derek Twigg (Halton) (Lab): There is long-held concern about the weakness of Pakistan's Government, intelligence services and army to co-operate fully in dealing with terrorists and extremists. Does the Prime Minister believe that there has been significant improvement and progress in this area in the last 12 months, because it is still a great concern?

The Prime Minister: I am grateful for all the work my hon. Friend has done in this area. It is important to recognise that at all times we are learning new lessons about how information can be shared, as well as about how it can be collected, and we are learning how we can deal with terrorist threats at an earlier stage by getting the information required. The greater sophistication of the exercise also requires greater co-ordination between the agencies, and the Cabinet Secretary is continuing to monitor how that co-operation can be enhanced over the next period of time.

Mr. William Cash (Stone) (Con): Given the recent court decision in respect of control orders, may I endorse the call by the leader of the Liberal Democrats for the repeal of this legislation—but for completely different and opposite reasons? Does the Prime Minister not agree that, as some of his former Home Secretaries have recognised, part of this problem is the interweaving into the control order legislation of the Human Rights Act 1998, and that the best thing we could do would be to repeal that Act, in order to ensure that we deal with the control order issues through our own Westminster-based legislation, which gives fair process, due trial and habeas corpus? That would ensure that we both have fair trials and control certain people in the public interest.

The Prime Minister: I am surprised that we keep coming back to the European convention on human rights and the Human Rights Act that flowed from it. I think most people would agree that the ECHR, which was written by British lawyers—*[Interruption.]* Yes, some of them were Conservatives, actually. I think most people would agree that the ECHR has been a major advance, and I am sorry that we are returning to these old debates. The protection and safety of the individual is first and foremost in our mind.

Digital Heritage

Motion for leave to bring in a Bill (Standing Order No. 23)

1.24 pm

Mr. Tom Watson (West Bromwich, East) (Lab): I beg to move,

That leave be given to bring in a Bill to enable specified institutions to make digital copies of cultural artefacts for archival purposes notwithstanding the existence of any intellectual property right; and for connected purposes.

The transmission of our heritage has been revolutionised by the interconnected world of the internet. The greatest cultures of the world are being opened up to the hundreds of millions of people who use the internet. In countries with rich histories such as India, China, Brazil and Mexico, future generations will discuss, consider and analyse their heritage online. As H.G. Wells predicted and Pierre Lévy recently observed, humankind now has the capacity to build a universal digital memory. Many countries' cultural institutions have started on this grand project only in the past few years, however, and their work is often hampered by laws that were framed to deal with the problems of the analogue age.

Our system of copyright has for many years—perhaps even before the invention of the worldwide web—been creaking at the edges. It has been unable to cope with the explosive growth of creativity and content, as well as the creation of new technologies and the ever-increasing pace of change, particularly in the latter 20th century. The Gowers review identified many steps that could be taken to allow our great cultural institutions—such as the British Library, the British Film Institute and the National Archives—to curate their works in a manner that allows all the opportunities of the digital age to be grasped. The review highlighted that the UK had far more stringent restrictions on copying classes of work for archival and preservation purposes than other countries. It also made specific recommendations on how the UK could deal with orphan works—copyrighted works where it is either difficult or impossible to track down the rights holder.

It is reassuring to know that many of the issues raised by curators and copyright lawyers are addressed by proposals in the Digital Economy Bill, which is currently being discussed in the other place. However, the many wise heads in the other place who are applying their minds to the Bill are moving amendments at a baffling pace. We therefore do not know in what form the Bill will come to this House, although I must say that if Lords Erroll, Whitty, Razzall and Clement-Jones get their way, at least we can be reassured that it will be in much better shape when it reaches us.

The Digital Economy Bill is perhaps the most important Bill for the creative industries this decade, yet they know, as we all do in this House—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I think that the hon. Gentleman is becoming procedurally incorrect. The purpose of this slot is to enable him to talk about his Bill, and he must concentrate on that. An allusion to another matter may be fine in context, but he must focus on the contents of his own Bill.

Mr. Watson: Thank you, Mr. Deputy Speaker. I am explaining the context in which I have produced my Bill, and I hope to bring myself back into order rapidly, with your guidance.

The creative industries, like many Members, are concerned about some of the major measures in the Digital Economy Bill. My Bill might precede it, because, depending on when the House is dissolved for a general election, the Digital Economy Bill might fall. Many content-creators are therefore worried that measures contained in clauses 11 and 17 of the Digital Economy Bill would fall—

Mr. Deputy Speaker: Order. I am afraid I shall have to emphasise my ruling to the hon. Gentleman. The procedure for ten-minute Bills is pretty well established, so I hope he will now fall in line with the gentle suggestion I made to him.

Mr. Watson: I will not test your patience any longer, Mr. Deputy Speaker.

My Bill is about how we store data digitally. The amount of digital content we can store has increased dramatically in recent years. Kryder's law—that is a mathematical law, Mr. Deputy Speaker, not one being discussed in the other place—is an almost mystical formula that says that digital data capacity will double every 13 months. It means that we can now super-process acres of data that were indigestible only a decade or so ago.

Ten years ago I had a Discman and a few hundred CDs. Three years ago my iPod held thousands of songs. If Kryder's law holds true, some time around 2013 an iPod will be able to carry a year's worth of video. By 2016 it will hold all the commercial music ever produced. By 2019 it could carry a lifetime of video—85 years' worth. Around 2024 all the content ever produced in history could be stored on a device that fits into a pocket.

When such an unprecedented technological advance is fully understood, it leads many to conclude that existing proposals to brand a generation of innate internet users as pirates is futile. What is required is a complete rethink of copyright. It should be accepted that technology now allows people to share content, crunch it, mash it and remake it. To illustrate my point with a contemporary political example, when Labour was elected in 1997, young political propagandists from all parties had to make their point by using an aerosol and a balaclava. Now they use Photoshop.

The recent experience of the website MyDavidCameron.com is an example of people taking an idea and reusing it to add to a discussion and make a point. Political party managers might not like it, but it has given election billboards new relevance and interest for the forthcoming general election. It is making electioneering interesting, unpredictable and, dare I say, more fun.

If colleagues do not think that digital natives will change the world of politics with their billboard mash-ups, I ask them to take a look at the voting figures for the Pirate party. In Sweden the Pirate party, an organisation dedicated to giving a generation of net users a voice in the copyright settlement, won a seat in the European Parliament. It is now one of the largest parties in

Sweden. One in eight first-time voters supported the German Pirate party in recent elections. The message in the UK is clear. Just because they do not have the capacity to lobby Governments as easily as the British Phonographic Industry, young people will react strongly at the ballot box if their internet rights are diminished. When they are told by an army of big publishing lobbyists that the creative industries are in peril, they have the capacity to Google a strong riposte.

Yesterday, the UK Film Council said that in 2009 British cinemas saw their best admissions in seven years, with box office takings in the UK and Ireland exceeding £1 billion for the first time. In 2009, £1.7 billion was spent on video games, a big increase on the previous year—

Mr. Deputy Speaker: Order. I am afraid that the hon. Gentleman is losing me again. This precious time is to persuade the House that he should have permission to bring in his Bill. He has given an awful lot of background, but the House needs to be clear about what would be in the Bill—what is the purpose of the Bill.

Mr. Watson: Thank you, Mr. Deputy Speaker.

There are a number of cumbersome steps that our cultural institutions have to go through to meet the current requirements of copyright law when seeking to use or reproduce a copy of works held in their collections. They need to be able to preserve their works, shift formats over time and make our heritage available. My Bill will allow cultural works that are often rotting on shelves awaiting copyright clearance to be saved for digital archiving purposes.

Mr. Deputy Speaker: The question is that the hon. Member have leave to bring in his Bill. As many as are of that opinion *[Interruption]*—Order. I am sorry that I am giving the hon. Gentleman a bad time, but it is a fairly usual procedure, if he will bear with me.

Question put and agreed to.

Ordered,

That Mr. Tom Watson, Mr. Don Foster, Mr. Dai Davies, Andrew Miller, Mr. Fraser Kemp, Natascha Engel, Chris Ruane, Ms Katy Clark, Joan Walley and Mr. John Grogan present the Bill.

Mr. Tom Watson accordingly presented the Bill.

Bill read the First time; to be read a Second time on 12 March, and to be printed (Bill 52).

Fiscal Responsibility Bill

Considered in Committee

[SIR ALAN HASELHURST *in the Chair*]

Clause 1

INITIAL DUTIES

1.35 pm

Mr. David Gauke (South-West Hertfordshire) (Con): I beg to move amendment 1, page 1, line 2, after '2016', insert 'the structural element of'.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this it will be convenient to discuss the following: amendment 2, page 1, line 5, after '2014,', insert 'the structural element of'.

Amendment 3, in clause 5, page 3, line 28, after 'expressions "', insert 'the structural element of'.

I should say to the Committee at this stage that in view of my selection of amendments in relation to clause 1, I am not minded to have a stand part debate on that clause.

Mr. Gauke: It is a great pleasure to be here this afternoon. I shall bear in mind your comment, Sir Alan.

The first clause goes to the heart of the Bill. It is clear from the recent Second Reading debate that this is a pretty lousy Bill. It is conceptually flawed. Nobody from the Labour Back Benches spoke in favour of the Bill on Second Reading. On the Government Back Benches today I see two hon. Members. If I am not much mistaken, both voted against the Bill on Second Reading. It is not a Bill that excites much support or interest, and there is probably very little that can be done with it to save it from itself. The right hon. Member for Norwich, South (Mr. Clarke) put it well when he described the Bill as vacuous and irrelevant. That did not stop him voting for it, but perhaps he does not have high expectations of the Bills that his Government introduce for him to support.

Mr. John Redwood (Wokingham) (Con): Does my hon. Friend think that Labour Back Benchers are not present because the Bill says that they must cut public spending by about £100 billion a year by the end of the four-year period? Presumably that means that they do not think they will be in government, so that is not their problem.

Mr. Gauke: That might be one explanation. It is probably a better explanation than the one we heard in the winding-up speech on Second Reading from the Exchequer Secretary, who speculated that the absence of Labour MPs supporting the Bill was a result of the weather and that they were stuck in the snow. I suspect that my right hon. Friend makes a better stab at answering the question. In the course of the afternoon, we may get an explanation. As there appear to be no Back Benchers who are prepared to speak on the Bill, perhaps we will hear from the Front Bench.

The Economic Secretary to the Treasury (Ian Pearson): Let me have a stab at an answer. Perhaps my hon. Friends realise that I do not have any difficulty in dealing with the sloppy, incoherent and often conflicting amendments tabled by the Opposition, so I do not need any help from them.

Mr. Gauke: We shall see whether the Minister requires any help, but it is good to see such confidence early on. We shall see whether he can keep that up.

Having said what nonsense the Bill is—a view that the Minister is unlikely to persuade us to change—we are, through amendments 1, 2 and 3, attempting to be helpful. We are trying to bring some coherence to the Bill. They would not make it a good Bill, because it is still conceptually flawed and we do not support it, but one issue, which emerged on Second Reading, is worth exploring a little further.

My right hon. Friend the Member for Wokingham (Mr. Redwood) first made the point in an intervention on the Chancellor of the Exchequer. My right hon. Friend raised the question of what would happen if there were a recession over the period that the Bill covers. The first duty, contained in subsection (1), is that of lowering the public sector net borrowing every year from 2011 onwards to 2016; the second duty, in subsection (2), deals with halving public sector net borrowing from 2010 to 2014; and my right hon. Friend asked, "What about automatic stabilisers? What happens in the course of a recession—were one to happen?" I appreciate that the Government are not predicting a recession, but then again they did not predict the most recent recession, either.

That point was pursued by the hon. Member for Southport (Dr. Pugh), who intervened later in the debate, again on the Chancellor, and essentially asked, "What would have happened if this legislation had been in place over the last few years? Would the Chancellor have been free to bail out the banks?" Let us remember that this Bill represents a flagship policy: this is how the Government are to acquire credibility on the issue, because they are legislating to reduce borrowing. The Chancellor, in response to the question about whether he would be free to bail out the banks or be hamstrung by the legislation, said:

> "No, because the Chancellor would quite obviously have to come back to the House if circumstances were as severe as those that pertained a couple of years ago. I do not think that anybody would argue for getting ourselves into a position through legislation where the Government were completely hamstrung and could not effectively govern the country. That would be nonsense."—[*Official Report*, 5 January 2010; Vol. 503, c. 70.]

That seems to be a reasonable answer, but it entirely undermines the legislation that the Chancellor was advocating. Not only is it quite striking that the only people to speak in support of the Bill on Second Reading were Ministers, it seems fairly clear that even they were not exactly enthusiastic about its terms.

Mr. Jeremy Browne (Taunton) (LD): I strongly support the hon. Gentleman's sentiments. Does it not appear that the Prime Minister, having boasted that he had abolished boom and bust and then having been proved emphatically wrong, has decided that he has now abolished boom and bust for the next six years?

Mr. Gauke: The hon. Gentleman makes an excellent point. That is exactly right. We do not accept the argument that declaratory legislation in these circumstances is of value, or that the Bill adds something to the credibility of the UK's fiscal position, but if we were to be sympathetic to the Government and accept those points, we would discover a difficulty, because the Government have set themselves a target that does not get to the heart of the issue—the structural deficit.

The point that the hon. Member for Southport made when he raised the bank bail-out issue might be regarded as a reductio ad absurdum argument, but it was helpful. If there is a crisis, the targets do not apply. That is the Chancellor's position. However, that does not quite answer the question, "What would happen if there was something not of the scale of the bank bail-out that we saw a couple of years ago, but a substantial slowing of the economy and, perhaps, a recession?" Clearly, the targets would become much harder to hit. Unemployment would go up and tax receipts would fall; and, if we look at borrowing as a percentage of GDP, we find that GDP falls so the percentage of borrowing would go up.

The Opposition recognise the need for automatic stabilisers—our argument has never been about that—but I find it hard to see how anyone who has argued consistently, as the Government have, for a discretionary fiscal stimulus when the economy slows down, can support this Bill on reading it, because the targets are focused on public sector net borrowing, not on the structural or cyclically adjusted element.

1.45 pm

Of course, that argument works the other way, too. If the economy exceeds the Government's growth expectations—admittedly, that is fairly unlikely given that their expectations are somewhat greater than that of most independent forecasters—those targets may well be met either without imposing significant discipline at all or, certainly, by imposing much less than the Government have in mind. The focus must be not on public sector net borrowing, but on the structural element.

I read the Chancellor's lengthy interview in the *Financial Times* at the weekend, and the full transcript was placed on the paper's website. There was an interesting section on whether the Chancellor had tried to remove the Prime Minister over the past few weeks, but the interview focused primarily on matters of fiscal responsibility. The Chancellor referred three times to getting the structural deficit down, but interestingly at no point in that lengthy interview did he refer to the Bill—suggesting that it is not exactly at the heart of his strategy to restore credibility to the public finances. Even the Chancellor does not appear to believe in it. The Bill is so discredited that he does not pray it in aid during a lengthy interview.

Mr. Andrew Pelling (Croydon, Central) (Ind): The hon. Gentleman is making an excellent contribution. Is this not a treacherous debate for all political parties, because of the creation of this straitjacket? It appears from what he is saying that he believes that any incoming Conservative Government should also have the greatest flexibility, and that they might yet not go down the—unwise—route of a significant and quick cut in public expenditure.

Mr. Gauke: I am grateful to the hon. Gentleman for his kind words and for raising that issue, because I want to make it absolutely clear that we believe that the structural deficit must be brought down and that a significant part of it must be brought down very quickly. We have said—and it remains our position—that we want to go further and faster than the Government on bringing down the deficit, and we would move earlier.

The hon. Gentleman does not agree, and he is perfectly entitled to that position, but wherever we are in the debate about trying to reduce the deficit, we should focus on the right measure. Whether one takes the view

that Governments should spend and borrow more when the economy is slowing down, or that the automatic stabilisers should apply, the wrong measure is to aim at public sector net borrowing. We should focus on the structural element. Indeed, if we read what the Chancellor told the *Financial Times*, we find that he focuses on the structural deficit. So if the Bill is supposed to reflect Government thinking and, essentially, be Government policy, and the Chancellor talks about the structural deficit, why does the Bill not deal with the structural deficit? Instead, it includes non-cyclical elements.

I should point out that this is not in any way meant as some sort of Government trap. The projections that the Government have made in the pre-Budget report for public sector net borrowing and cyclically adjusted public sector net borrowing suggest that, in both cases, they should meet the targets that they have set out. Borrowing should fall in every year from 2010-11 to 2014-15. In both cases, the deficit will halve from 2009-10 to 2013-14. That does not make the duties more onerous or less onerous, as in both cases they should be met under the Government's own projections. We can have a debate about why we might need to be sceptical about those, but that does not fundamentally change the position.

Of course, the Bill still has huge weaknesses that we will debate over the course of the afternoon, including its lack of an enforcement mechanism and the fact that it is, in many respects, a fig leaf to cover the Government's failure to set out credible spending plans to address the deficit. However, we could at least introduce a relevant measurement, which would partly address some of the concerns about the Bill. We have some scepticism about the Government's actions, but if they are trying to do what they say they are, the amendments would assist them.

Mr. Jeremy Browne: The lead amendment in the next group, amendment 4, stands in my name and that of my colleagues, so I may take the opportunity then to speak slightly more broadly about clause 1 given that we are not having a stand part debate. At this point, I will limit myself briefly and narrowly to amendments 1, 2 and 3.

I share the views of the Conservative spokesman in two regards. First, as was discussed on Second Reading, the Bill is inherently flawed and there are all kinds of problems with it. Just over a week ago, I took part in a radio debate with a Labour MP who, when I raised the issue of the deficit, said, "Of course we, the Labour party, are serious about the deficit. We're legislating to reduce it—how much more serious can one be than that?" She appeared to believe that that was a sensible argument to advance, and it is, essentially, the root cause of the Government's problems—their belief that they can solve a financial problem by passing a law saying that they have solved it even if they are not taking the necessary financial measures to address the difficulties that they find themselves in. That is the inherent flaw in the Bill, and what makes it so utterly preposterous.

However, given that we are where we are, and that the Government, despite the complete lack of enthusiasm and support from their own Back Benchers, are determined to plough on with this Bill in the final days of this Parliament, we might as well, as a responsible Opposition party, try to save them from the most masochistically bad parts of it. One of those parts relates to a point that has been raised by the right hon. Member for Wokingham (Mr. Redwood) and others. Why would the Government wish to bring in legislation that prevents the operation of the automatic stabilisers, which we all accept and which the Prime Minister routinely boasts about, or champions, in relation to Government intervention to protect some of the most disadvantaged people in society? Why would they wish to impose on themselves a straitjacket that prevents such measures from being implemented to help the people who are hit hardest in a recessionary environment? That is not only an unintelligent position to take but, potentially, a very socially divisive one. It seems to Liberal Democrat Members that it is worth specifying that, even if one accepts the basic premise of the Bill that we should concern ourselves with the structural element of the deficit. Therefore, we would support the hon. Member for South-West Hertfordshire (Mr. Gauke) were he to press the amendment to a Division.

Mr. Redwood: I rise to support the amendment tabled by my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke). I am grateful to him for considering the problem that I, and others, posed on Second Reading.

It beggars belief that a Government who have spent so much time claiming credit for the automatic stabilisers that all Governments have always used—it is something that happens naturally—should now try to legislate to stop their operation. They seem to be doing so in the spirit of a Government who think that their days are numbered and that it would be very amusing to pre-empt all the Budgets of the next Parliament by laying down in law what the overall shape of those Budgets should be. Moreover, they are doing so in such a way that if they leave a mess that results in a further downturn, or even a period of very disappointing growth, which is a possibility, the automatic stabilisers would not come into effect on the scale that they naturally would otherwise, so there would have to be offsetting action. I hope that the Minister shows, for once, that he is master of his brief, as he boasted at the beginning of the debate, and that he can understand this point and therefore wishes to support his Prime Minister's previous position, which was that the automatic stabilisers are a very good thing, and does not wish in any way to pre-empt their operation through the clause.

Clause 1, which we are seeking to amend, is the kernel of this miserable piece of legislation. It says, correctly, that the excessively large deficit that the Government have built up has to be curbed. As my hon. Friend said, we object to it for two principled reasons. First, a deficit is curbed not by legislation but by changing one's spending and/or taxing plans so that one controls the budgets properly and sets them sensibly.

Our second objection is that the profile of the reductions is wrong. It is not essential to cut the deficit in every year over a long period—not least, as we have heard, because of the need to look at the state of the economy—but it is terribly important to get on with cutting the deficit much more quickly than the Bill demands or the Government are requesting.

Mr. Jeremy Browne: My understanding of the Bill is that the deficit does not need to be cut in every year until 2014 but merely needs to be cut by half by 2014.

[Mr. Jeremy Browne]

There is then a provision for it to be cut on an annual basis for the following two years. However, it is possible, I suppose, that were Labour to be re-elected, it could dramatically cut the deficit next year and then be inactive for the following three years.

Mr. Redwood: That is set out right at the beginning of clause 1, which clearly states that

"for each of the financial years ending in 2011 to 2016"—

a five-year period—

"public sector net borrowing expressed as a percentage of gross domestic product is less than it was for the preceding financial year."

Unless growth suddenly takes off at a rate that no one is forecasting or expecting, that means, in effect, that every year there will have to be cuts. That is how most people read the clause, and that is why we object to it. It imposes a very long and substantial straitjacket that may be difficult to implement in individual years, and it sets too relaxed a timetable for the immediate task.

Why have some of us been growing hoarse saying to the Government that they need to cut this deficit more rapidly than they are proposing? It is not because we are masochists who came to this place to cut public spending, but because we are deeply afraid that the Government are losing the confidence of the financial markets, and that if they do not take this issue more seriously, more quickly, they could lose that confidence in a very big way. Why does that matter? It matters because it means higher mortgage rates and higher loan rates for small and big business, and because it will lead to lost jobs and lost dreams for people who want to make a living or make a go of something in this difficult economic situation. We are thinking ahead.

The Government need not take my word for it. All that they need do is follow the financial markets. If they examine what has been happening even during this extraordinary period of over-borrowing and money printing to offset it, they will see that the cost of credit has been rising. Small businesses are having to pay many times the 0.5 per cent. minimum lending rate. The Government themselves are now having to pay eight to nine times their preferred short-term interest rate if they wish to borrow for 10, 20 or 30 years.

2 pm

The Government should heed the warnings. They do not need to believe the Opposition or the commentators; they should just examine what is going on. Clause 1 is lamentably too little, too late to deal with what has already happened. Once their quantitative easing stops and they stop printing money to pay wages in the public sector, which looks as though it will happen within a few weeks, they may well find that there is another surge in the cost of borrowing, which will be another direct hit against the productive economy, people's aspirations, small businesses and those who wish to gain a mortgage and own their own home.

I hope that the Economic Secretary will accept the amendment that my hon. Friend the Member for South-West Hertfordshire moved, because it is a necessary correction to this ill-begotten clause. I hope that he will also reflect further on the wording of subsection (1), which states that the process should take place at a fairly relaxed pace but very mechanically, and see that what we need is a Government who know how to govern and craft a budget for the economic circumstances of the day. We need a Government who know that sometimes we need to go faster in reducing the deficit—now is one of those times—and that sometimes we cannot follow the formula in the Bill because of economic circumstances. All the Prime Minister's previous rhetoric points in the direction of accepting the amendments, so I hope that the Economic Secretary will do so.

Mr. Andrew Tyrie (Chichester) (Con): There is an Alice in Wonderland quality about the Bill, and particularly about clause 1. One particular passage from that book is apposite. I shall not linger on it for long, but it is the passage in which a large white rose tree in the garden is being painted red. Alice goes up to the gardeners timidly and asks why they are painting the roses. The answer comes:

"Why the fact is, you see, Miss, this here ought to have been a *red* rose-tree, and we put a white one in by mistake; and if the Queen was to find it out, we should all have our heads cut off".

I shall come later to the penalty for misbehaviour under the Bill. As you may remember, Sir Alan, nobody does get their head cut off in "Alice's Adventures in Wonderland" because there are in fact no real penalties, as there are none in the Bill. All that will happen is that Government Members will find themselves sitting on this side of the House quite shortly. The Bill has failed to convince the public of its intended purpose, perhaps because it will change nothing and cannot have any meaningful impact because it is just rhetoric. It is designed to create an impression that something has changed when nothing has, just like the coat of paint on those roses, and to make a Government who are bereft of ideas look as though they had a meaningful exit strategy from the economic crisis.

In fact, clause 1 is even more pernicious than that. It begins with a statutory commitment requiring the deficit to be lower in each year than in the previous one. That is a very dangerous notion, as my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke) and my right hon. Friend the Member for Wokingham (Mr. Redwood) pointed out. Of course, having a policy to reduce the deficit is sensible, and it is Labour's failure to provide such a policy in the detail required to get us out of the fiscal hole we are in that has so troubled analysts. It has also troubled the Treasury Committee, which berated the Government only a few weeks ago for their failure to add greater detail and clarity to the plan for cutting the deficit. However, having a statutory requirement to reduce the deficit is truly ridiculous, as my hon. Friend and my right hon. Friend illustrated.

What will happen if there is another downturn during the five years covered by the Bill? Just as the recession or downturn starts to bite, the Government will be required to tighten fiscal policy even further, sucking yet more demand out of the economy. The effect of the clause will therefore be to deepen that recession or downturn. We will be implementing the economic policy of President Hoover—at least, that is what he was criticised for.

The effect of the clause is to tear up the centrepiece of our economic orthodoxy of recent decades. As my hon. Friend the Member for South-West Hertfordshire pointed

out, it will mean the abandonment of the economic stabilisers, which allow tax receipts to fall and public expenditure to rise in a recession. I shall come to the structural deficit in a moment.

Mr. Michael Fallon (Sevenoaks) (Con): My hon. Friend hits on a very good point. Has he noticed the fatuity of clause 1? It states that the Treasury "must ensure" something, but clause 3 then states that it must

"report on the progress which has been made towards complying"

with that duty. The Treasury either must ensure something or not. The Bill's drafting is lamentable.

Mr. Tyrie: Of course the Bill is gibberish, and it is very difficult to examine clause 1 without examining clauses 3 and 4. We will come to clause 4 later, but it is worth my reading out the relevant part of it in response to my hon. Friend. It states that the fact that

"any duty in section 1...has not been, or will or may not be, complied with does not affect the lawfulness of anything done, or omitted to be done, by any person."

What kind of serious statutory requirement provides such a get-out clause?

To return to the structural deficit, if the economy were in structural balance, the stabilisers could be allowed to operate over the cycle, providing deficits in years of below-trend growth and surpluses in years of above-trend growth. Let us set aside for the moment the ghastly truth that by the Government's own estimate, three quarters of the unprecedentedly large deficit—by the way, it is the largest in peacetime history, as far as I know—was caused by Labour's mishandling of the public finances. That is to say, it is structural. Clause 1(1) dismantles the stabilisers, which is why amendment 1 is absolutely essential if we are to make any sense of the Bill at all. It would enable it to address the right measure, which has to be the structural deficit.

Of course, restricting the application of the Bill to the structural deficit might require an alteration of the targets in order to get the same level of desired reduction. I hope that the Government will take it for granted that the Opposition accept the need for that, and that when the Economic Secretary speaks, we will not hear the absurd objection that that somehow implies that we will be less tough on the deficit than the Labour Government.

It is clear to me that we cannot leave the Bill as it is, if it is to be taken seriously at all. As it stands, if the UK had another downturn we would be plunged into a downward spiral of economic decline. Nobody believes that any Government would allow that, so something else would be done. None of the major economies have made the mistake that the Bill does in any downturn in recent history. They have all remembered the lessons of the 1930s, yet incredibly, the Government are suggesting that we forget those lessons if there is another downturn in future.

My hon. Friend the Member for South-West Hertfordshire has already pointed out that when the Chancellor was challenged on exactly that point on Second Reading—I took a look at *Hansard* and I believe he was challenged three times, although it might have been twice—he repeated the same phrase each time: "We will come back". I presume that he meant "We will come back to the House", and that that is a euphemism for saying that if the Bill were tested in a downturn, he would repeal it and scrap it. As I tried to say at the time, he clearly does not believe in his own Bill. The first time that it is tested, he wants to put it into the shredder.

Of course, I think I know the answer that is really at the back of the Chancellor's mind—he thinks that the Bill is nonsense. The Economic Secretary is an intelligent man and I am pretty sure that he, too, thinks it is a load of nonsense. We are all here debating it because the Prime Minister wants to continue with the strategy that served him well for many years in opposition and for some years as Chancellor: announcing good intentions, putting them on the statute book and taking credit with the public for doing that.

Clause 1 is only one provision in a decade's worth of such Blair-Brown speak, of which there is a huge volume. The *Financial Times* commented on that recently, stating that that

"approach to managing change seemed to be based on a mythical version of heroic leadership, popularised by some of the management magazines. 'Announce it and it will happen'".

That is exactly what we have here: announce that we will reduce the deficit, and somehow, magically, it is supposed to happen. It will not necessarily happen. Much more detail on the measures required to plug the deficit is needed. The cancellation of the spending review in the pre-Budget report is the crucial giveaway. Failure to produce detail is crucial to the collapse of confidence in Labour's economic policy.

The Bill was designed to be a legislative distraction and, as my right hon. Friend the Member for Wokingham said, the clause is its kernel. However, this time, the Prime Minister's luck has run out. Far from distracting the commentators and the public, the measure simply confirms what many Members of Parliament have known for a long time—Labour's economic policy is bankrupt of ideas. When a Government run out of ideas, they should go.

It is an open secret that it took all the combined efforts of the Deputy Prime Minister and the Chancellor to persuade the Prime Minister to make at least some attempt to give an indication of the public expenditure challenge facing the country. The Prime Minister apparently insisted on the fig leaf of a measure, of which clause 1 is a crucial part.

The Prime Minister seems, for the most part, to have retreated into a parallel world, articulating the mantras that worked in his younger days, such as "Tory cuts" and "Labour investment", as well as other nonsense. That is the Prime Minister's looking-glass world, where political battalions—an accumulated surplus from the 1990s—remain on the table to move around. Unfortunately, the accumulated surplus has all gone—it has all been spent.

The economy is in crisis, the Government are in crisis and Parliament is in crisis. At the heart of each crisis is the sort of legislation that we have seen time and again; it is embodied in clause 1. Such legislation makes the public cynical—even more cynical, if possible, than they are already are about politicians. People do not need to know economics; they need no more experience than managing their pocket money to know that clause 1 and the Bill are content free.

Content-free legislation makes this place worse off. It has the same corrosive effect as unfulfilled manifesto promises. However, the Government have an appetite

[Mr. Tyrie]

for it: we have had the Child Poverty Bill, the Climate Change Bill—with even more absurd targets—and now the heart of economic policy is to be subjected to the same treatment.

Mr. Mark Todd (South Derbyshire) (Lab): Will the hon. Gentleman give way?

Mr. Tyrie: I will not give way, if the hon. Gentleman will forgive me, because I am about to finish.

Clause 1 in particular was designed as a political trap. The Prime Minister hoped that we would either have to support the Bill and clause 1, and thus be bound into a reckless policy of tightening if and when we won the election and found ourselves faced with a downturn, or we would oppose it, in which case he could say, "Ah well, the Conservatives are against all fiscal responsibility." The trap has been sprung, but the Prime Minister, not us, has been caught. The measure does no more then illustrate that there is nothing left to the economic policy of this Labour Government worth the name.

2.15 pm

Mr. William Cash (Stone) (Con): I am pleased to follow the excellent speech of my hon. Friend the Member for Chichester (Mr. Tyrie), and those of all other Conservative Members who have spoken so far. We are talking a great deal of sense and seeking the truth about the fiscal irresponsibility that has permeated the Government's programme since 1997 but has now come home to roost.

I, too, will quote from Lewis Carroll:

"When I use a word, it means just what I choose it to mean... The question is...which is to be master—that's all."

That is said to Alice. We have a perfect illustration of that in the Bill, not only in all the examples that my hon. Friend so cogently gave of the hypocrisy that lies behind the attempt to make us fall into a trap, which was sprung the wrong way from the Government's point of view, but because, as I said on Second Reading, at its heart is a travesty of the truth or an inability to identify the truth about net borrowing.

My right hon. Friend the Member for Wokingham (Mr. Redwood), my hon. Friend the Member for Braintree (Mr. Newmark) and I repeatedly raised the matter on Second Reading because it is impossible to form a judgment about what constitutes public sector net borrowing or the deficit. I entirely endorse amendment 1 to include the words "structural element of". Such judgments cannot be made unless one knows what public sector net borrowing, expressed as a percentage of gross domestic product, means.

Clause 5 states that we will be given a definition in the code for fiscal stability, which was produced in 1998. It has taken the Government from 1997-98 to the present day to undermine our finances completely. Moreover, if one examines all the golden rules, the nonsensical stability and growth pact and its application, and the criteria under the Maastricht treaty for public expenditure, and tries to form a calculation about what our economy is and what our debt levels are, one simply cannot make any responsible decision in the absence of a proper definition of public sector net borrowing. That completely undermines the purpose of the Bill.

It is nonsensical to introduce a Bill on fiscal responsibility without defining net borrowing. It is rubbish. The explanatory notes refer to the golden rule, the second fiscal rule—the sustainable investment rule—and I ask the Economic Secretary to acknowledge the nonsense that all that represented in the first place, and the complete failure even to fulfil the criteria that the Government set for themselves. It is a dreadful indictment of the Government—and, indeed, their epitaph—that they have buried our finances under a mountain of debt. They have totally failed to manage the British economy in anything like a responsible manner. The very notion of a Bill on fiscal responsibility flies in the face of everything that they have done.

Mr. Tyrie: When trying to assess the credibility of this measure, is it not worth bearing in mind what happened to those fiscal rules? The first time they were tested, the goalposts were moved and their credibility was undermined, and they were withdrawn altogether at the first sound of serious gunfire.

Mr. Cash: Absolutely. I would simply add that the House is sometimes accused, by the public, on the "Today" programme and by Jeremy Paxman or whoever it may be—I saw my right hon. Friend the Member for Wokingham on his programme only yesterday—of Punch and Judy politics, of engaging in an absurd charade or piece of theatre in the Chamber, and of simply trying to knock the other chap off the perch. However, the Bill demonstrates that the public most urgently need this House to examine legislation. The complete failure of the Government to meet their responsibilities is demonstrated by the production of a Bill of this kind.

We must look at what the Prime Minister did from 1997 onwards, when he was Chancellor of the Exchequer.

Kelvin Hopkins (Luton, North) (Lab): Will the hon. Gentleman give way?

Mr. Cash: I will in a moment.

Every single thing the Government have done by way of fiscal activity is down to the Prime Minister, whether as Chancellor of the Exchequer or Prime Minister. The failures of the British economy and the failure to be fiscally responsible lie very largely at his door.

Mr. Redwood: My hon. Friend makes a very powerful case. Does he agree that one problem with the Government is that they quote only one fifth of the state's debt and obligations that they have built up, ignoring the other four fifths, which includes the banks, private finance initiatives, nationalisations and pension liabilities, which they seem to think will vanish?

Mr. Cash: I was waiting for that. My right hon. Friend and I, and my hon. Friend the Member for Braintree—I wish more people would join our chorus—have demonstrated over and over again that the figures the Government produce are simply not true, basing what we say on Office for National Statistics figures, evidence and material from House of Commons researchers, who are quite brilliant and who understand such things perfectly, and our own researches. That is the problem.

It is essential for the British public to know the truth when they cast their votes in individual constituencies at the next general election. That is why my right hon.

Friend the Member for Wokingham, my hon. Friend the Member for Braintree and I—doubtless my hon. Friends the Members for South-West Hertfordshire (Mr. Gauke) and for Runnymede and Weybridge (Mr. Hammond) will be doing this as well as we get nearer the general election—will be telling them the truth. In that way, when they cast their votes and exercise that freedom of choice, they will know they are making a decision about the Government's past record and what will be required to put things right after the general election. Putting things right is a question not merely of fiscal responsibility as set out in the Bill, but of the bottom line regarding the country's finances, which Standard & Poor's and Moody's will be looking at in order to make a judgment about the Government's credit rating.

Kelvin Hopkins *rose—*

Mr. Cash: I will certainly give way to the very honourable Gentleman.

Kelvin Hopkins: I thank the hon. Gentleman for his comment but he may not think I am so honourable when I have made mine.

Conservative after Conservative seems to be trying to drive the Government to cut public spending and drive us further into recession, simply to help them at the election. When people go into the ballot booth at the coming general election, they will want to know which party will cut spending and cut their jobs. Could the hon. Gentleman not suggest that fiscal responsibility may mean ensuring that public expenditure is not cut, so that jobs are not lost?

Mr. Cash: I am extremely grateful to the hon. Gentleman for that. He is a good friend and we have a lot in common, despite what he just said. The differences between us can be encapsulated quite simply. The words "cuts in public expenditure" give him a nervous twitch. He does not like them under any circumstances—that is an understatement.

Mr. Pelling: Will the hon. Gentleman give way?

Mr. Cash: Let me finish my reply to the Member for Luton, North (Kelvin Hopkins).

It is not that we Conservatives do not think that cuts are necessary, because we know they are. However, we emphasise that the fiscally and economically literate and responsible course to adopt is to engage in policies that will generate growth. It is only through the growth of small, medium-sized and bigger business that we will be able to find the money to pay for the public expenditure and resources—health, education and other things—that the British people will, quite rightly, be voting on. Without that growth, it will not be possible to have those things.

If the Government try to rig and distort the economic data on which economic judgments are made, for the reasons my right hon. and hon. Friends and I have given, we will not get the true picture. Therefore, we will end up with greater public expenditure problems, because we will not be facing the truth. It is essential that we do not put all our emphasis on theoretical rubbish such as stability and growth pacts, which have been broken in every country in Europe, subject to sanctions that nobody has ever applied—that is all Euro junk. Rather, we must have an absolutely crystal clear assessment, on proper accounting principles, of what will enable our economy to function efficiently, with real fiscal responsibility, and not a piece of paper and the vague rubbish with which we are dealing. We must have real bottom lines, accounting principles and responsibility.

Mr. Pelling: Just before the hon. Gentleman responded to the hon. Member for Luton, North (Kelvin Hopkins), he was referring to rating agencies. Is the artificial construct of the Bill more likely to create a crisis if the targets within it are not met? Would that further undermine the prospect of retaining the triple A rating?

Mr. Cash: The hon. Gentleman is absolutely right. I could not emphasise that more strongly. What my right hon. Friend and I have been saying about debt is directly related to our credit ratings. If we lose that status in the international bond market, we are in very dangerous waters. That is why it is so essential that the underlying truth of the overall debt—net debt—is explicit, that we concentrate on it, that we get the figures right, and that we tell the British people the truth.

The 2009 pre-Budget report, which sets out the Treasury's forecasts, is the basis on which our economy is being run, but it is like 'Alice in Wonderland', as my hon. Friend the Member for Chichester said. The crucial point is that public sector net borrowing is forecast to peak at 12.6 per cent. of GDP in 2009-10 before falling in every subsequent year, reaching 4.4 per cent. in 2014-15. The crucial point is that public sector net borrowing is forecast to peak at 12.6 per cent. of GDP in 2009-10 before falling in every subsequent year, reaching 4.4 per cent. in 2014-15. Of course, Labour will not be in government then—at least, I sincerely trust that it will not. The public sector net borrowing—based on those invented figures, which bear no relationship to the truth of the economy and are certainly not fiscally responsible—for 2008-09 is shown as 6.6 per cent of GDP or £95 billion, which jumps to £177.5 billion or 12.6 per cent. of GDP in 2009-10, which is the general election year. For 2010-11, the figures are almost the same and then—dramatically, as if to try to convince the British people, although they are unlikely ever to read this garbage—they fall suddenly to 9 per cent., then to 7 per cent., then to 5 per cent. and finally to 4 per cent. by 2014. That is a Houdini-style attempt to try to prove something that simply cannot be proved.

2.30 pm

According to the Government's figures, they will pledge to halve public sector net borrowing from £177 billion in 2009-10, without any reference to the actual performance of the economy, the facts or the figures, to £82 billion. However, the Government's difficulty, as my right hon. Friend said, is that the actual figures are dramatically more. He rightly mentioned Network Rail, the public sector pensions, which will cost £1 trillion, and nuclear decommissioning. The latter figure has not yet been identified, but we know that it will be substantial, especially if we go down the nuclear route, as we will have to do for the sake of our energy supply. Then there is the whole question of the bank borrowing.

So for 2008-09, net borrowing as a percentage of GDP is shown as 6.6 per cent. or £95.1 billion; but the actual amounts of net debt are £617 billion or 43.9 per cent. of GDP. We are told that the source of the Government's figures is the ONS, but a note is added that says that the figures exclude

"the...effect of...financial interventions".

Imagine if company accounts were written up in the same way, for example, by Cadbury, which is owned by sort of cousins of mine. It was a fantastic company for many years. Indeed, it has been a bad week, because the Abbey National, which was founded by my great-grandfather, has now had its name excised and is called Santander. Now Cadbury is disappearing. I do not know what is happening to this country, but many sound businesses, through which we have prospered for generations, seem to be in trouble. But that is nothing compared to the trouble of this Government.

By excluding these so-called financial interventions, the Government are presenting a completely distorted picture. I challenge the Minister to deny that. I have asked other Treasury Ministers, including the Chancellor of the Exchequer, and the Prime Minister, if they can give us a definition of net debt and come clean on the total borrowing by this country. Financial interventions seem to mean lying to the British people about the real level of debt, so we cannot possibly endorse this Bill. It is not fiscally responsible: it is fiscally irresponsible.

Mr. Todd: I had not expected to catch the Chair's eye this afternoon, but someone suggested that I might have something to say—*[Laughter.]* I do not have huge sympathy with legislation based on rhetoric, but as the hon. Member for Chichester (Mr. Tyrie) drew attention to the precedent of the Climate Change Bill, it is worth reflecting that that was passed virtually unanimously by this House. He may have been one of the honourable exceptions who did not stride through the Lobby to endorse it. I was not, as I felt that my constituents had made their feelings clear. I expressed my doubts about legislation using targets for which a Government could not possibly be accountable and for which no obvious answerability could be provided. I sometimes bow to the views that are expressed to me by constituents and I did so on that occasion. The hon. Gentleman may have done that, or he may have held his nose—

Mr. Tyrie: I voted against the Bill.

Mr. Todd: In that case, I congratulate the hon. Gentleman on his consistency. However I would be surprised if other Conservative Members did not vote for it.

I am puzzled by the reasons for using legislation in this way, so I have considered what value it might have. I can see some value in at least facilitating an orderly debate on a subject, which is something that a Bill will achieve. We are at least discussing the goal of reducing our debts, the possible targets that might be set and the time frame in which that goal might be achieved. That is the substance of clause 1, which we are now discussing. That is worth while, and whatever emerges from this process—although I would be surprised if the Bill were to make it to the statute book before the election—might have garnered some value from the process itself, as opposed to the eventual outcome.

The second element is the discussion of the framework for reporting on this important subject to Parliament and thus to the public at large; that comes up in a later clause. Discussion of how best that might be done has some value too, because I suspect that there is a degree of consensus that how we do it now is not perfect.

I shall not dwell on some of the flaws in the Bill, one or two of which have been touched on already. There is understanding, and it is useful to have the debate on that issue, although I do not agree with some of the views that have been expressed, most notably by the hon. Member for Braintree (Mr. Newmark), who is not in his place today. His sweeping view of the public sector borrowing figures is not one that I share.

Mr. Redwood: It is wonderful that one Labour Back Bencher does have the time to talk about the odd £100 billion in cuts that are the subject of this Bill. As one who has done some work on this issue, I can tell the House that I simply applied company accounting principles, laid down by the Government, to the state's accounts. Why should they not apply to the country's accounts as much as to the companies that are made to follow them?

Mr. Todd: The most obvious answer is that a country is not a company. One of the difficulties in company accounting is the assumption that the company might not exist in perpetuity—*[Interruption.]* Well, this particular Government might not, but who knows? It is for the electorate to judge. However, this country, and its governing system, will continue to exist. Some assumptions have to be made in company accounting—for instance, when valuing pension liabilities—and one of those assumptions is that the company might cease to exist. That is perfectly reasonable. However, to apply that to public sector pensions is unrealistic and assumes somehow that this country might cease to exist at some point in the future and that all the liabilities would be paid up. If this country ceased to exist, that might be the least of our problems.

Mr. Redwood: If that is the case, why does the public sector decide to fund some of those liabilities inadequately? On the hon. Gentleman's argument, it should not be funding any of them.

Mr. Todd: That is a fair point, but it is not quite the methodology that is to be used, although I do not want to be drawn into a lengthy discussion about something that I am not sure is directly germane to the clause.

Mr. Cash: Will the hon. Gentleman give way?

Mr. Todd: I have not answered the previous question yet.

The principles of how we fund public sector pensions were established many years ago. Many have pondered on how to change the system, because many of us recognise—I think—that many of the pensions are paid on the basis of those who are retired now, so there is a major generational problem within the current methodology, which it would be good to confront. I do not think, however, that the Bill is intended to confront that problem, so I shall not discuss the matter further. However, perhaps the hon. Member for Stone (Mr. Cash) will tell us more.

Mr. Cash: I am extremely grateful to the lone white knight who has come forward from the Labour Benches—as was the case on Second Reading as well. Clearly the Government and their Back Benchers are deeply embarrassed by the Bill, but I will not belabour that point. I admire the hon. Gentleman for coming forward

the point made by my right hon. Friend the Member for Wokingham (Mr. Redwood), we come back to the problem of applying proper accounting principles, to which I referred. I am also glad that my hon. Friend the Member for Braintree (Mr. Newmark) has come in at this crucial moment, because his figures have just been questioned by the hon. Member for South Derbyshire (Mr. Todd). However, we have touched on an important question. I know that the hon. Gentleman understands that—

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. I wonder whether the hon. Gentleman could get to the point of the intervention, which, as he knows, is meant to be brief. May we have the intervention?

Mr. Cash: I accept your strictures, Mrs. Heal.

Proper accounting principles are based on the truth—that is what accountancy is about. The question is whether that is being done in the Bill under the definitions given.

Mr. Todd: I am not an accountant, but I have never considered accountancy to be purely about the truth or facts. In the companies that I have served, and at times helped to run, I never regarded accountancy as an art form. I certainly felt that a significant amount of interpretation and working out of reasonable assumptions are built into the process of accountancy—it is not based purely on hard data.

Having pointed out that difference, however, perhaps I can return to the core of my remarks. I did not want to dwell on some of the flaws that might be in the Bill, but I shall touch briefly on one final one, although it will probably set off some further interventions. I have been a bit puzzled about how the Bill relates directly to the economy at large. The targets and time frames are set without a direct relationship to economic cycles or events—the classic example of the latter being 9/11. Such events can have a major effect on our economy, and have to be taken into account when using economic instruments to achieve appropriate outcomes. Public sector debt is an important part of our economy, as is public spending on an ongoing basis, but I am puzzled about the methodology of fitting the Bill into the management of the economy on an ongoing basis. However, wiser minds than mine have decided that that is the right way to proceed.

As I said, the Bill provides a reasonable basis on which to hold reasonably intelligent debates on some of these matters.

2.45 pm

Mr. Redwood: I would like to assure the hon. Gentleman that the minds to which he refers might be more powerful, but they are clearly not wiser.

Mr. Todd: How kind of the right hon. Gentleman to say so. Others have judged otherwise, though.

I shall turn to the historical backdrop to the elements in the clause. Others have referred to the fiscal rules of the late 1990s, which stayed in being until the onset of the crisis. As has been accurately described by the hon. Member for Chichester, those rules were first tweaked and bent to show apparent continuing adherence, and then abandoned when the crisis hit full force. The [illegible] debate now. First, there was a short-term political issue: the first Labour Government for 18 years needed to produce some evidence of solidity and a framework for decision making that could reassure outside observers about how they would behave.

Mr. Redwood *indicated assent.*

Mr. Todd: The right hon. Gentleman is nodding. That was a perfectly reasonable political objective and one that I supported, because of the problem of reassurance and—as much as anything else—unfamiliarity. The fiscal rules provided at least some framework for reassuring the wider financial community that the new Labour Government would follow a clear structure and not make ad hoc and irresponsible decisions.

The design of the rules, however, was imperfect even then. The difficulties with them were exposed when the crisis hit, but to be honest, as those who have looked at the Treasury Committee's comments on such matters over the years will know, many felt that they had imperfections even before the crisis hit. Part of the problem is that they tend to look in the rear view mirror. One is constantly looking at the past rather than setting public spending and economic priorities based on the future and projections. The past has some value in informing us, but it throws up difficulties, for instance with defining where economic cycles begin and end. We started to get into that in the middle of this decade. That could have been addressed using a better tool set, focusing more on the future.

Any Government ought to be thinking about that. I say "any Government" because there was a second reason for having the fiscal rules in place that had nothing to do with the arrival of a Labour Government—the memory of a Conservative Government that went through vast levels of deficit and borrowing in the early 1990s. As much as anything else, the measures were meant to demonstrate a difference and send out the message that we would pursue our economic policies within a published framework, within a clearly understood reporting mechanism, and within a set of rules that appeared to have been set with a degree of objectivity.

Mr. Pelling: The hon. Gentleman's comments are useful and instructive. I imagine that at the time the Labour Government wanted to establish credibility. However, in some ways is not such legislation damaging politicians' credibility, because the message being sent is that our promises are not of real value unless they are legislated for?

Mr. Todd: I suppose that point goes back to my initial remarks about whether such matters are best addressed through legislation. I have my doubts about whether that is the most appropriate way; nevertheless, with our set of fiscal rules effectively destroyed in the crisis, it is reasonable to suggest that a replacement is required. The Opposition have proposed a different model to replace our method of dealing with fiscal responsibility, so there is a consensus that we have to produce a framework.

Mr. Redwood: The hon. Gentleman is making a valuable

[Mr. Redwood]

basing all the fiscal rules on the exchange rate mechanism—something that I personally opposed, but which most people seemed to think was a good idea. The destruction of that bipartisan approach led to the search for a better answer that he is describing.

Mr. Todd: I was in no position of responsibility at that time, so I cannot disagree with the right hon. Gentleman more authoritatively, but I would say that there were more factors behind the difficulties of the early '90s than that, although we all recognise that there is some truth in what he has said.

I suspect that there is a consensus on the purpose of having something like what is proposed in the Bill. The exact mechanism, and whether we do things through a legal framework, are fair subjects for dispute. However, the need to build a clearer relationship with the wider economy in whatever we attempt to do in managing our fiscal future is essential. I have some doubts about whether the Bill does enough on that. The time frames within which we attempt to challenge the mountain of debt that we face also need to be debated. There is a genuine difference in policy on that. I take a firm view that rapid reductions in public spending have particularly deleterious effects in two ways. First, it is my experience that cutting rapidly means cutting badly. People cut the easy things; indeed, there is an argument that, in part, the Government too might be making that mistake. Capital expenditure has taken much the heaviest hit in the projections of where savings might be made, but it might not be the wisest place to do so.

Mr. Cash: The hon. Gentleman is making a thoughtful speech, as my right hon. Friend the Member for Wokingham (Mr. Redwood) has just said. Mention was made of the exchange rate mechanism, which is related to the stability and growth pact, and which is also part of the thinking embedded in the golden rules and the other rules, as well as the question of whether we can manage to get a responsible economy. I very much agree with the hon. Gentleman's sense of direction, but I would ask him to bear in mind that, although I do say so myself, a lot of these matters are conditioned, if not governed, by the criteria set down in the Maastricht treaty.

Mr. Todd: Which the Government have sought to distance themselves from, at least in part, by not joining the common European currency. Without hinting at my slightly dubious reputation on the Government Benches for being a Euro-realist, as opposed to a Eurosceptic, I start from the view that the Government made the right decision about that, and one that has stood us in good stead.

My instinct is that the House probably shares more common ground on many of the subjects that we are discussing than will be conceded in a debate of this kind. The areas of genuine debate are partly to do with the speed with which we proceed. It would be wise to see clear evidence of economic recovery—certainly beyond today's encouraging unemployment data—before rapidly reducing public spending. However, public spending reductions also need to be approached using a rather more robust methodology produced over a period of rapidly as we can. My instinct is that some of the steps that the Opposition have suggested fit into the category of saying, "Let's make some headline cuts that sound dramatic," but which are ill considered when set against a wider portfolio of policy making.

Mr. Brooks Newmark (Braintree) (Con): I apologise for missing the beginning of the hon. Gentleman's speech. I am sure that this point has been made, but he has made two important points about identifying where the fiscal responsibility lies, one part of which is about halving the amount that is out there. However, surely one important benchmark is where we start from. Neither the transparency of what is on balance sheet—obviously, that is what the Government go on about—nor the transparency of what is off balance sheet, which is what I, along with my hon. Friend the Member for Stone (Mr. Cash), my right hon. Friend the Member for Wokingham (Mr. Redwood) and everybody else on the Conservative Benches, go on about, is clear. It is important that we understand what the starting point is, and then think about where to go, rather than simply halving what is out there on balance sheet.

Mr. Todd: I, too, am sorry that the hon. Gentleman missed the start of my speech, because I touched on that point. We do not have a common data set that we can all share. Although there are areas of dispute—I am not sure whether this happened before or after the hon. Gentleman arrived, but I had an earlier exchange about one of them with the right hon. Member for Wokingham—there are also areas where intelligent people can probably largely agree. On such an important subject, it would be helpful to try to find as much common understanding as possible of what our difficulty is before deciding how to tackle it, which partly relates to the point that I was making before the hon. Gentleman intervened. Simply naming cut figures and headline items is a simplistic approach to tackling a long-term strategic problem for our country.

Finally, the other useful aspect of this debate is the suggestion that what we are discussing is a problem that needs to be confronted. There are people—both in this House, to some extent, and certainly in the country at large—who would be prepared to accept a debt of roughly the scale that we confront now. They have equated our situation with that of others and said, "Well, the Italians managed perfectly well with a debt of that kind. Why shouldn't we just adjust our economy to deal with those changed circumstances?" I profoundly disagree with that position. Therefore, one of the values of this discussion is to expose that side of the debate and say, "No, that isn't the kind of economy that we would wish to run on in this country into the future." We are simply not equipped to achieve that, and trying to do so would have a thoroughly undesirable drag-anchor effect on private enterprise in any country where that took place. That aspect of the debate is of value in a discussion of a Bill of this kind.

As we go through the afternoon, I hope that I may catch your eye—if you are still in the Chair, Mrs. Heal—to discuss some other elements of the Bill. However, clause 1 has some value, and with those reservations, I commend it to the House.

Ian Pearson: We have had a wide-ranging debate. I agree with those hon. Members who said that clause 1 is

difficult to agree with most of the other things that hon. Members have said about the Bill. That is a shame, because there are some strong arguments that can be made about focusing on structural borrowing, but they were not made by the Opposition. I will come to the amendments in a short while, but given the instruction that this should also be a stand part debate, let me say something broader about the economic and fiscal context. I shall do so briefly, because all Members will be aware of the events that have taken place over the past 18 months to two years, the actions that the Government have taken to stabilise the economy, and the situation that we now face, with a pressing necessity to reduce the overall national debt.

I want to focus first on the areas on which we can all agree. There is wide agreement across all political parties that we need to see fiscal consolidation in this country. One of the big issues between us is the pace of that consolidation. If we strip away the political rhetoric, we find that there are two judgments: one that has been made, and one that needs to be made.

Going into the recession, it was quite clear that the Conservatives would have spent less. They opposed the fiscal stimulus, so they would not have spent money on it. We wanted to see investment in public services, and we believed that the fiscal stimulus was necessary. We also believe that debt would be higher now if we had not taken the action that kept people in work. I think that every political party agrees on the need to use automatic stabilisers.

3 pm

The second judgment relates to the speed at which we get the debt down. The difference between the parties relates to whether we cut immediately or wait until we are sure that the recovery is locked in before we take action. The Government's view is that we should do the latter. We want to ensure that the recovery is in the bag. We do not want to jeopardise the economy or risk falling back into recession by taking precipitate action.

Stewart Hosie (Dundee, East) (SNP): The Minister has mentioned reducing the debt. However, at the end of this deficit-consolidation phase, the annual deficit will still be 5.5 per cent. of gross domestic product, which will definitely be above trend and almost certainly above annual growth. When do the Government intend to start paying the debt down, as opposed merely to reducing the level of the deficit?

Ian Pearson: I will go through all those areas in my speech.

Before that, I want to refute suggestions that the Government are not doing anything to reduce borrowing. We have set out measures to reduce borrowing by £57 billion by 2013-14, and to contribute to more than halving the deficit over four years. The measures in the pre-Budget report of 2008, the 2009 Budget and the pre-Budget report of 2009 will make a difference. Sometimes, the Opposition like to pretend that we are doing nothing to cut the deficit and that we have no plans to do so. Well, what is the 50p rate of tax? What is the 1 per cent. increase in national insurance contributions? What is the action that we are taking to restructure public sector pensions reform? Action is already being taken, and that is important if we are to achieve our fiscal reduction plans.

Mr. Gauke: The Minister says that the Government are taking action now and already addressing the problem. May I quote to him what the Governor of the Bank of England said in a speech in Exeter last night? He quoted the chairman of the Federal Reserve, Ben Bernanke, as saying of the similar fiscal position in the United States that

"near-term challenges must not be allowed to hinder timely consideration of the steps needed to address fiscal imbalances. Unless we demonstrate a strong commitment to fiscal sustainability in the longer term, we will have neither financial stability nor healthy economic growth."

The Governor of the Bank of England then went on to say:

"The Chancellor has made it clear that the Spring Budget provides the opportunity to do precisely that."

It is implicit in what the Governor has said that the Government have not yet demonstrated a strong commitment to fiscal sustainability in the longer term. Is that not correct?

Ian Pearson: I have read the Governor's speech as well, and I agree with him: we do need to take action to cut the debt. However, if the hon. Gentleman were to ask him whether the Government had taken action through the pre-Budget report of 2008, the 2009 Budget and the pre-Budget report of 2009 to ensure that fiscal consolidation took place in our economy, I am sure that the Governor would agree that we had done so.

Mr. Gauke *rose—*

Ian Pearson: I will give way again, but if the hon. Gentleman is just going to make selective quotations, he will not be doing justice to his own side; he is not being fair to what the Governor is saying. It is clear that we need to take further action, and we shall need to do so at the time of the Budget. We need to hit the targets that we are proposing in the Bill, and I want to go on to explain why it is important to legislate for those plans. I think that it is the right thing to do. This is not gesture politics; it is an important measure in which we can ensure that there is public and market confidence that we mean what we say and that we are going to deliver on our plans. I shall happily give way to the hon. Gentleman again, but I hope that he will do a bit better this time.

Mr. Gauke: The Minister worries about my making selective quotations, but I think that all quotations are selective, by definition. He also said that he agreed with the Governor of the Bank of England. Does he agree that the spring Budget will provide an opportunity to demonstrate a strong commitment to fiscal sustainability?

Ian Pearson: I am not going to tell the House what will be in the Budget. We are working on it at the moment, but I would be absolutely amazed if it did not say something very strongly indeed about the overall fiscal situation and the Government's plans. The hon. Gentleman will have to wait until that is all made clear in the Budget, however.

Ian Pearson: Let me get on and make the point about why we are here today discussing this legislation; then I will give way to the hon. Gentleman.

In the Bill, we are embedding into legislation the deficit reduction that was announced in the three fiscal events that I have just mentioned. We are also setting further targets for reducing the deficit in each year to 2015-16, and for halving the national debt falling in that year. These plans contribute to ensuring sustainable public finances in the medium term. I believe that legislating will provide certainty and stability for businesses and individuals in relation to the future path of fiscal policy. It is right that we should set out those long-term plans.

Mr. Fallon *rose—*

Stewart Hosie *rose—*

Ian Pearson: I will give way in a moment.

It is also right that Parliament should be given a role in setting and monitoring our fiscal plans. It is enshrined in the Bill that Parliament must approve the plans before they become law, which represents a significant development of the extent to which the Government are held to account for their medium-term fiscal policy. Again, I think that that is the right thing to do. The hon. Member for Chichester (Mr. Tyrie) was jumping up and down a moment ago. I saw him first, so I shall give way to him first.

Mr. Tyrie: It is very kind of the Minister finally to give way. I want to take him back to his suggestion that the Government have credible plans to deal with the deficit. He and the rest of the Government are virtually on their own if they really believe that. Goldman Sachs says:

"The plans laid out by the UK government…do not represent a credible fiscal consolidation plan."

Citigroup says that the pre-Budget report

"does not produce credible and detailed plans to return the UK to a sustainable fiscal stance in coming years".

On the key point that the Minister made earlier that we were advancing our cuts faster than the Government would do, I should like to quote Richard Lambert:

"Our strong instincts are that the risks of going too soon are less than the risks of waiting too long".

Ian Pearson: I am tempted to say that perhaps the hon. Gentleman should look at the amendment that those on the Opposition Front Bench will want him to support. That would result in going at a slower pace than the Government are proposing. I shall explain that in a moment, and I will happily give way to him again when I do so. First, I shall give way to the hon. Member for Dundee, East (Stewart Hosie).

Stewart Hosie: The Minister has been very generous in giving way. I hope that it was a slip of the tongue when he said that there were plans to halve the national debt. Will he confirm, for the sake of accuracy, that the national debt in 2010-11 will be 65 per cent. of GDP and will rise every year until 2014-15—to 71.7 per cent., 75.4 per cent., and 77.1 per cent.—reaching £1.47 trillion, or £1.7 trillion according to the treaty calculation? Will

Ian Pearson: It may have been a slip of the tongue. The figures that the hon. Gentleman has read out sound very familiar. However, he will be aware of what the Bill does to reduce the deficit as a percentage of GDP year on year, which I think is important.

Several hon. Members *rose—*

Ian Pearson: Let me make some more progress. I have already given way a good many times.

As I have explained, Parliament has a key new role in holding the Government to account for their medium-term fiscal policy. We think that that is the responsible thing to do. The Conservatives seem to imagine that it is something that only the United Kingdom is doing, and that no one else has even dreamt of doing it because it is such a strange idea, but a number of other countries have introduced legislative fiscal targets. For instance, in June 2009 a new debt break was enshrined in the German constitution—and the Germans are not known for their gesture politics—to underpin fiscal consolidation over the coming years. That rule will become effective in 2011, and will require a steady reduction in the structural deficit from 2011 until 2016. According to the International Monetary Fund, moves to strengthen medium-term frameworks, including fiscal responsibility laws, should help to support the fiscal adjustment that will be necessary in most economies following the financial crisis.

We are not alone in wanting to legislate to bring about market confidence, and public confidence, in our actions. Germany is doing likewise, and the IMF has suggested that what we are doing is right.

Several hon. Members *rose—*

Ian Pearson: I give way to the hon. Member for Sevenoaks (Mr. Fallon).

Mr. Fallon: I am most grateful to the Minister. He has been generous in giving way. May I return to the subject of clause 1? If the initial duty is needed so urgently, why is it not enforceable—or how is it enforceable?

Ian Pearson: Let me explain what we are trying to achieve through the clause, and through the rest of the Bill, before I deal with the amendments. The hon. Gentleman will be aware of his party's views on the reinforcement of sanctions. I believe that the best way in which to hold Governments to account for their action in this regard is through Parliament, and that is what we are seeking to achieve. Trying to fine a Chancellor or a Treasury team does not strike me as sensible, and it has not been proposed by other legislatures that have adopted a similar approach.

Several hon. Members *rose—*

Ian Pearson: I want to address the points about pace and flexibility before I give way again. First, however, I want to respond to some of the comments made by the hon. Member for Stone (Mr. Cash)—and, indeed, by the hon. Member for Braintree (Mr. Newmark)—about Government accounting. I shall not go into a huge amount of detail, as the issue is not directly relevant to

budgeting, we have been operating in accordance with new international financial reporting standards. We also report under the Maastricht treaty—the hon. Member for Stone does not like the treaty, but we have a legal responsibility to report under it—using the ESA95 rules. There are differences between those rules and international financial reporting standards. Rather than trying to put the two together and say that there can be only one right set of accounts, we should ensure that there is proper transparency and that information is available, so that those who examine these matters closely can understand what is going on. The hon. Member for Stone referred to public sector net borrowing. It is defined in the code for fiscal stability. A revised code was published yesterday, a copy of which is in the Library of the House.

3.15 pm

Finally, let me deal with the question of whether financial interventions should be included in the Government's accounts. I ask the Committee to consider for a moment whether it is realistic to include all the assets and liabilities of Royal Bank of Scotland in the Government's accounts, perhaps on a line-by-line basis, or whether it is better to treat them as a separate entity. When I was running an investment company with investments in a range of companies, I found that, if one owned more than 50 per cent. of the shares, line-by-line consolidation produced a very distorting picture of the overall financial position of the organisation.

I believe that clarity and transparency are important, and we in the Government are very clear about what we are doing. We expect the financial interventions that we have made to be temporary. We have no desire to own Royal Bank of Scotland for a long period; we want, over a sensible period and when it means value for the taxpayer, to divest ourselves of our stake in it. It simply does not make sense to take some of the actions that Opposition Members have suggested in terms of accounting treatment, and the same applies to pensions. My hon. Friend the Member for South Derbyshire (Mr. Todd) made several good points in rebutting some of the arguments advanced by the hon. Member for Braintree.

We can probably argue about different definitions of national accounts until the cows come home. What is important is proper transparency, enabling those who examine financial accounts under different accounting conventions to understand what is going on. These matters can be quite confusing for the public. However, it is important for us to meet our legal commitments under the Maastricht treaty by reporting under the ESA95 rules, and also important for us to apply international financial reporting standards.

Several hon. Members *rose—*

Ian Pearson: I shall give way first to the right hon. Member for Wokingham (Mr. Redwood).

Mr. Redwood: Does the Minister accept that the Government, like a rake, have taken out the biggest ever mortgage and declared that, then taken out a second mortgage which they have not declared, and then taken out lots of hire-purchase agreements which they have also not declared? They have maxed out on a dozen the pawnbroker. We need an honest statement, and then we need a cut in the amount of the deficit, not a cut in the rate of increase. We need to get the deficit down.

Ian Pearson: The right hon. Gentleman is merely engaging in political rhetoric. It is clear that different accounts were prepared on different bases, and also that information is available and is publicly disclosed. The right hon. Gentleman knows that that information is available. He is trying to use it for his party's political ends, and I cannot blame him for wanting to do that. I am simply making the point that those who understand accounting principles and the way in which these things operate know very well the differences, understand perfectly what is going on here and find no difficulty with it.

Mr. Newmark *rose—*

Ian Pearson: I give way to the hon. Gentleman, who will undoubtedly engage in another political point-scoring exercise.

Mr. Newmark: I beg to differ. I think that the Minister, whom I know to be an intelligent and thoughtful individual, will have gone to the Corporate Project Solutions website at www.cps.co.uk and seen three excellent pamphlets written by yours truly—one called "Simply Red", one "The Price of Irresponsibility" and the other "The Hidden Debt Bombshell". Through these, we have called for greater transparency. The Minister mentioned the word "transparency", but he knows as well as I do that generally accepted accounting principles today say that if one acquires any other company or bank with a more than 50 per cent. stake, one has to consolidate the balance sheet. That means that the Government must be much more honest about the debt they acquire when they acquire those banks. In addition, there is the rule that the pension liabilities of companies have to be shown on balance sheet; the Government should do likewise.

Ian Pearson: The hon. Gentleman heard what I said when I recounted my experiences before I entered the House. I do not think that including all the financial interventions on balance sheet would give a particularly helpful picture.

Several hon. Members *rose—*

Ian Pearson: I give way to the hon. Member for Croydon, Central (Mr. Pelling), but then I really want to make some progress, as I have already given way to everyone else who wanted to intervene.

Mr. Pelling: I am grateful to the Minister and I shall not make a party political point. In reality, the Government have taken on the bad debt of the banks; there has been a socialisation of bad debt. Is it not therefore dangerous to have this straitjacket when the Bank for International Settlements is putting on pressure to increase capital reserves, leading to less lending by banks? When we have to deal with a huge deleveraging of the economy, is it not also dangerous to straitjacket ourselves in this

Ian Pearson: I am not sure whether the hon. Gentleman is arguing that we should not have intervened as we did with the Royal Bank of Scotland or the Lloyds Banking Group—*[Interruption.]* He says that we should have intervened. Well, those actions have consequences: we have major shareholdings in RBS and Lloyds Banking Group so we have to determine the appropriate accounting treatment. There is obviously disagreement among Conservative Members who I think really want to make political mischief of these issues rather than understand the fact that they are accounted for in a number of different ways according to different accounting conventions.

Mr. Cash: Will the Minister give way?

Ian Pearson: Oh, go on then.

The First Deputy Chairman: Order. Before the hon. Member intervenes, I repeat that interventions should be as brief as possible.

Mr. Cash: Is the Minister aware that arguments about RBS demonstrate that what the Government are doing now is what RBS was doing, which is what led to all the trouble for RBS in the first place?

Ian Pearson: I do not want to go over the history of the Royal Bank of Scotland, but I do not believe that the hon. Gentleman's suggestion is right; we are not making the mistakes that RBS made, but have taken the action that was necessary to ensure financial stability in the UK economy and to help protect jobs, consumers and savers. I believe that this was fundamentally the right thing to do.

On the speed of consolidation, it is a difficult assessment to make and there is a clear difference of political opinion between us. Our judgment, as the Chancellor made clear, is that taking steps to reduce the deficit while securing group growth—that is what the clause requires—is the right approach to take. In turn, growth will make it easier to lower the deficit and pay back debt, which is also required by the clause. Our judgment is that tightening fiscal policy too quickly in 2010-11 would present risks, and it is not just the Government who think that. The Governor of the Bank of England has said:

> "It is certainly true that if you eliminate the debt too aggressively, it will have an adverse consequence."

The managing director of the IMF agrees, in saying:

> "Unwinding the stimulus too soon runs a real risk of derailing the recovery, with potentially significant implications for growth and employment."

Our judgment is, as I said, that acting too quickly in 2010-11 would present risks to the economy, but the economy will be in a better place to support a more rapid tightening in 2011-12.

Kelvin Hopkins: I am pleased that my hon. Friend has pointed out the dangers of dealing with debt too rigorously. Does he accept that the best way to reduce the debt, in the medium to long term in particular, would be to ensure that public expenditure is not savagely cut and that jobs are maintained so that we have tax revenues coming in and minimal benefits being paid out? That is the way to get the deficit down over the longer term—by

Ian Pearson: I believe that growth is the best way to cut debt, which is why we should not jeopardise the recovery. We need to ensure that the public finances are on a sustainable footing and that is what we are trying to achieve. We are forecasting GDP growth to accelerate, predicting it will be 1.25 per cent. in 2010. I simply note that the latest average prediction of independent forecasters is that it will be about 1.4 per cent. and that their estimates are creeping up. We predict that it will be 3.5 per cent. in 2011 and 2012. In those circumstances, there is greater space for the Monetary Policy Committee to use interest rates to support demand as well.

Several hon. Members *rose—*

Ian Pearson: I have given way to all the hon. Members who are standing up. Given that the next group of amendments covers pretty much the same ground, they will have opportunities to make speeches when we discuss those provisions, and I shall therefore make progress.

I do not want the Committee to take the view that what the Government are proposing is anything other than tough; it is probably the toughest action of any G7 country. The average annual reduction in the Italian budget deficit over the next four years is 0.1 per cent. The corresponding percentages are 0.4 for Japan, 0.9 for France, 1 for Canada and 1.2 for Germany and America, whereas the UK's figure is 1.9 per cent. That shows the significant consolidation that will be required.

Ms Katy Clark (North Ayrshire and Arran) (Lab) *rose—*

Ian Pearson: My hon. Friend is the exception to the rule, because she has not yet made an intervention, so I am happy to give way to her.

Ms Clark: My hon. Friend must accept that many of us feel that this approach is simply far too radical a response in cutting the deficit; cuts of about 16 or 17 per cent. on essential services—that is what the *Financial Times* has reported—will have a massive impact on the British people. Surely this is not necessary. We need to examine other ways to deal with this deficit and pay it off over a long period.

Ian Pearson: I understand what my hon. Friend says. As a Government, we have to make a judgment as to what is in the country's best interests overall, and what we are proposing will clearly be extremely painful. I think it will be tougher to deliver than almost all of us in this House really understand. She is right to point out the difficult circumstances that it could create in many communities in this country. The Government must be extremely mindful of that when calibrating policy and taking decisions. As I said, growth is what is important. The more we can secure growth, the more we will be able to achieve the reductions that are required to meet the targets in this Bill. She is right to point out that this is very difficult, but I do not think that extending things over a longer period of time would be in the country's best interests. We have to strike what we think is the right balance in taking action to ensure that we have sustainable public finances over the medium term—that gives the markets confidence to want to continue to invest in the UK economy. Our judgment is that the pace that we are proposing is appropriate and right for

Kelvin Hopkins: With respect, may I say to my hon. Friend that what he is suggesting is contradictory? If, as he is suggesting, this tightening of belts and cutting is going to be painful, that will have the opposite effect to promoting growth, because it will reinforce the recessionary tendencies in the economy. It is having a more relaxed approach to public expenditure in the short term that will help to promote growth and keep employment high, and that will reduce benefits payments and increase tax revenues. That will solve the problem.

Ian Pearson: Again, I understand my hon. Friend's point. However, we still need to take action to ensure that we have fiscal consolidation in this country. The more that we can have growth, the better it will be as it will give us the opportunity to reduce the deficit still further. He is right to say that if we see public sector job reductions as a result of the measure, that will have consequences in communities and for our economic output. We need to consider all that in the round in making our decisions about how best to act, and I want to reassure my hon. Friend that it is certainly the Government's intention that we should do so.

Let me move on briefly to address the issue of flexibility. A number of hon. Members sought to suggest that there was no flexibility in the Government's consolidation plans. That is not correct. In the event of a significant and sustained economic shock on the scale of that which we have seen over the past 18 months to two years, we would quite obviously want to consider what path of fiscal policy would be appropriate for the economy. Subject to progress being made in reducing borrowing every year, there is flexibility on the profile for halving the deficit by 2013-14. So, for example, if growth is lower and the impact of the automatic stabilisers is greater, there is the flexibility to accommodate that so long as there is progress on reducing borrowing.

On the amendments, I first want to agree that the structural deficit is an important fiscal aggregate, so the hon. Member for South-West Hertfordshire (Mr. Gauke) has a point. One of the key ambitions of the Bill is to provide certainty, as he knows, about the future path of fiscal policy, and targeting a structural measure of the deficit when there is such uncertainty about the position of the economy and the size of the output gap runs counter to that ambition. We are trying to target overall borrowing, which is a directly observable national statistic that is measured independently by the Office for National Statistics. Not even the hon. Member for Stone disputes that.

Furthermore, amendment 2 would reduce the extent of the plans to tackle the deficit. The hon. Member for South-West Hertfordshire needs to think very carefully about pressing the amendment to a vote. The pre-Budget report forecasts—on the basis of the forecast for overall borrowing falling to 5.5 per cent. of GDP in 2013-14, which is the Government's target—that cyclically adjusted borrowing will fall by almost two thirds, far more than the Opposition's amendment requires. Opposition Members are saying that they want to move faster, but amendment 2 would not do that. That is not to say that I would advise my hon. Friends to support it, either—I do not think that that is the right course of action.

Mr. Tyrie: I am grateful to the Minister for giving way—he is being extremely generous. In my remarks, I have consequential implications for the targets that we in the Opposition would want to follow were we to be foolish enough to end up with this Bill on the statute book. The Minister knows very well that his point is disingenuous, and so his point about thinking seriously about voting for the amendment is nonsense.

Ian Pearson: The Opposition can decide what they want to do and whether they want to force a vote. Amendment 2 is very clear, and its implications would be that the deficit would be cut more slowly than the Government propose. That runs counter to the Opposition's policy. That is why they seem to me to be confused and muddled in their thinking and in what they are trying to achieve with their amendments.

Given the profound impact of the global financial crisis on the deficits and the national debt in all major economies, it is right to focus on reducing the deficit and stabilising debt. That is what the Government are trying to do, and it is what we are proposing to do through clause 1. The amendments are confusing and muddled, and although I do not disagree with the overall principle of wanting to get structural borrowing down—that is, of course, a right and sensible thing to do—I do not think the amendment is helpful, and I hope the hon. Member for South-West Hertfordshire will withdraw it. If he does not, I strongly advise my hon. Friends to resist it.

Mr. Gauke: This has been a useful debate, and I thank the following right hon. and hon. Friends for their contributions: my right hon. Friend the Member for Wokingham (Mr. Redwood) and my hon. Friends the Members for Chichester (Mr. Tyrie) and for Stone (Mr. Cash) for their speeches, and my hon. Friends the Members for Sevenoaks (Mr. Fallon) and for Braintree (Mr. Newmark) for their interventions. It is also noteworthy that, clearly after the Government Whips had trawled through the Tea Rooms and the Palace in general, we have had a contribution from the Labour Back Benches. However, in the speech of the hon. Member for South Derbyshire (Mr. Todd), his thoughtfulness, as always, got the better of him, and his remarks were hardly the ringing endorsement that the Government would have wanted. To paraphrase his argument, what he said was, "I'm not sure this Bill will ever become legislation, but it does at least give us an orderly process for discussing the matter." That is a reasonable point, but I am not sure that the big moment the Government have been waiting for was a Back-Bench Member speaking in support of the Bill in such a fashion. There have also, of course, been a number of other Back-Bench contributions questioning the Government's proposed policy, such as that from the hon. Member for Luton, North (Kelvin Hopkins).

I shall not enter into a wider debate about clause 1, as we will have opportunities to exchange selective quotations again when we move on to a future group of amendments. I shall, however, talk briefly about the Minister's remarks. I am grateful for two points that he made. First, he accepts that all political sides agree on the need for automatic stabilisers. Sometimes, Government Ministers—and in particular the Prime Minister—are less careful in their characterisation of Opposition policies than the Minister, and it is right that he said that. It is also welcome that the Minister displays a degree of honesty

[Mr. Gauke]

least there was none of the "cuts versus investment" nonsense that has so characterised the Prime Minister's utterances on this matter over the last few months.

On fiscal targets, the Minister made the point that Ministers should be accountable to the House, which raises the question of why we need to put all this in legislation in the first place. It is entirely otiose—to use a word of which the Minister is fond—to do this. He also fully accepts that the structural deficit is a valuable measure, but he brings into question certainty in that regard. This Government have, of course, relied on cyclical measures for most of the time that they have been in power, and I know that that is not necessarily the strongest argument in favour of cyclical measures and targets, given how they were abused. However, the Minister did not say anything that got to the heart of amendments 1, 2 and 3, which is that, even if we accept that there is a need for a straitjacket—which we do, although we are doubtful about the need for a legislative straitjacket—it is important that we have the right straitjacket. This is the wrong straitjacket. Given that the Chancellor has said that if there was another banking crisis, he would just have to come back to the House and ignore the Bill, it does nothing for the credibility of these targets, and the Government's policy on the deficit, to have in place the wrong measure.

I remain confused about the Minister's argument that our proposal suggests cutting the deficit more slowly than the Government propose in both cases. He referred particularly to amendment 2, which relates to subsection (2). We end up with the relevant measure of borrowing by 2014 being half of what it was in 2010. I look at the numbers in the pre-Budget report, and the Government's projections show public sector net borrowing falling from 12 per cent. to 5.5 per cent. and the cyclically adjusted PSNB falling from 8 per cent. to 3.6 per cent. The ratio of those numbers in both sets is almost identical, so I do not think that that is right. It enables the Bill to take into account economic growth and the economic cycle. If economic growth turns out to be faster than the Minister anticipated, it would mean reducing borrowing by even more, and there will be scope to do so.

Clause 1 misses the main target and nothing that the Minister said today addresses that. I say to Labour Members, some of whom, I hope, will have listened to the debate, that ours is a more sensible and pragmatic approach. Let there be no doubt that we are very serious about the deficit and we think the Government are taking too long to address it.

In conclusion, I intend to press amendment 1 to a Division. Were that to be successful—on the balance of the debate in the Chamber, it should be—I shall press amendments 2 and 3. For the moment, I shall press amendment 1 to test the mood of the Committee.

Question put, That the amendment be made.

The Committee divided: Ayes 200, Noes 286.

Division No. 49] **[3.42 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Leech, Mr. John
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Opik, Lembit
Osborne, Mr. George
Ottaway, Richard
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan

Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Willetts, Mr. David
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim

Tellers for the Ayes:
Bill Wiggin and
Mr. Stephen Crabb

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Hepburn, Mr. Stephen
Hermon, Lady
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Rooney, Mr. Terry

Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Sarkey, Dr. Phyllis
Sewart, Ian
Soate, Dr. Howard
Sringer, Graham
Sutcliffe, Mr. Gerry
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. John Heppell and Mark Tami

Question accordingly negatived.

The First Deputy Chairman: I have now to announce the result of the Division deferred from a previous day on the question relating to Adjournment (February). The Ayes were 248 and the Noes were 194, so the Ayes have it.

[The Division list is published at the end of today's debates.]

Mr. Jeremy Browne: I beg to move amendment 4, page 1, line 14, at end add—

'(4) The Chancellor of the Exchequer may, for the purpose of securing sound public finances, by order made by statutory instrument disapply this section in relation to any period of not more than one year beginning with the coming into force of the order.

(5) The Chancellor of the Exchequer must not make an order containing, with or without other provision, any provision disapplying this section in relation to any period unless a draft of the order has been laid before Parliament and approved by a resolution of the House of Commons.'.

The First Deputy Chairman: With this it will be convenient to take the following: amendment 5, page 1, line 14, at end add—

'(4) This section shall not come in to force until the Treasury has laid before the House of Commons a review of the accuracy of the projections of public sector net borrowing contained within—

(a) The Budget 2008,

(b) The Pre-Budget Report 2008,

(c) The Budget 2009, and

(5) A review under subsection (4) is subject to approval by resolution of the House of Commons.'.

New clause 1—*Commencement*—

'(1) This Act comes into force on such day as the Treasury may by order made by statutory instrument appoint.

(2) No such order may be made unless a draft of the statutory instrument containing it has been laid before Parliament and approved by a resolution of the House of Commons.

(3) No such draft may be laid until the Treasury has conducted a consultation on the contents of this Act and laid before Parliament a report setting out a summary of responses.'.

New clause 16—*Commencement*—

'(1) Section 2 comes into force when the Treasury has laid before Parliament a report containing an estimate of the impact on economic growth that will result from the fulfilment of the duties set out in that section.

(2) The remaining provisions of this Act come into force on Royal Assent.'.

Mr. Browne: I and my colleagues tabled amendments 4 and 5. To follow on from the observations of the hon. Member for Chichester (Mr. Tyrie) on the last group of amendments, there is indeed an Alice in Wonderland quality to the Bill—it is extraordinary that we are all being invited to spend a whole day discussing it.

I said in my last contribution that when I was doing a radio interview recently a Labour MP said to me, "What do you mean we don't take the deficit seriously? We are bringing in a law to deal with the deficit," as though passing legislation and having a positive set of policies and a desire to implement them were one and the same. Clearly they are not. The very same Labour MP, in the same radio debate, maintained that the principal party of opposition to the Iraq war was hers as well. The whole Labour party is now in a state of complete denial about its position in politics, and nowhere is that more true than with regard to the enormous budget deficit that it has presided over. It told us that it had abolished boom and bust, that Britain could enjoy continuous economic prosperity and growth, and that the normal economic cycle that had applied throughout history no longer applied under the current Prime Minister. That has now emphatically been proven not to be the case.

4 pm

Clause 1 has three specific duties. In an intervention a couple of hours ago on the right hon. Member for Wokingham (Mr. Redwood), I perhaps caused some confusion by mentioning the aspect of the Bill that has attracted the greatest attention—halving the deficit in what people assume will be the lifetime of the next Parliament, if it runs a typical length of time. However, there is the added inflexibility of the requirement to reduce the deficit year on year, through to 2016. There is therefore no scope for making adjustments based on exceptional circumstances. That should concern us all.

On Second Reading, I raised a matter with the Chancellor, and I am afraid that I did not get a good response. His response was evasive—I do not mean that he was disrespectful to the House, simply that he followed the logical consequences of his position. I gave two examples. First, I asked what we would do in the case of a massive additional threat to our national security. I hope that that is unlikely, but it is not impossible—we must have some sort of contingency plan and provision

At the end of the second world war, Britain's cumulative debt was 250 per cent. of GDP. Our public finances were in a truly frightening position, but the judgment was made—I suspect that everybody agrees that it was the right judgment—that it was worth putting ourselves in such straitened circumstances because the prize of winning the war was so great and the downside of losing so immense. We had to put normal economic considerations to one side to protect the freedom and independence of our country and all the values that we hold important. Obviously, I hope that nothing that serious happens between now and 2016—or, indeed, ever—but were something serious to happen to us as a country, how could we possibly proceed with the assumption in the Bill that the deficit would be cut year on year, and cut in half by 2014?

My other example, which is perhaps more likely, was about re-entering recession between now and 2014 or 2016, depending on which of the two time scales in the Bill applied. What would happen? Plenty of eminent economists believe that there is a risk of a so-called double-dip recession—that we will not recover as the Government forecast, that there is genuine potential for the structural damage to our economy to prove lasting, and that growth will be weak and even negative. If there were some wider international dimension—we all acknowledge the international dimension to the recession out of which the world is now pulling—that caused shock waves throughout the developed world and economies, it is possible that, even if the Government or any subsequent Government acted with great fiscal restraint, we would still be thrown into another recession, due not to the decisions made in the House or by Ministers, but perhaps to seismic events in one of the big economies elsewhere. In that case, the measure, which requires us to halve the deficit—not simply the dimension covered by amendment 1, which the Government defeated—would put us in a ruinous position if we abided by it while trying to grapple with serious world events.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Does the hon. Gentleman agree that a double-dip recession is most likely if we remove the fiscal stimulus in 2010, when growth is forecast to be a very sluggish 1 to 1.5 per cent, and when no one could consider the recovery secure?

Mr. Browne: The hon. Gentleman makes a slightly different point—he is talking about the timing. As there is a reasonable consensus in the Committee, including all but one or two Labour Members, that we would like the deficit to be lower than it is at the moment, the debate ends up being about timing, rather than whether we aspire to cut the deficit.

There is a range of views on timing. For what it is worth, the Liberal Democrats' view is that it should not be political—it should not take account of the requirements of a general election campaign in the next few months. We need to bear in mind a range of economic factors, including Britain's creditworthiness and unemployment, before we can make meaningful decisions about the appropriate speed with which to reduce the deficit. On that basis alone, we are uncomfortable with, and opposed to, this legislation. Leaving aside the Alice in Wonderland

Lembit Öpik (Montgomeryshire) (LD): Is my hon. Friend basically saying that there is no way we can legislate for unforeseen circumstances? Does it strike him as somewhat ironic that the very reason why we are having this debate in the first place is that the Government did not see the recession coming?

Mr. Browne: I am put to shame by my hon. Friend's brevity, because that is what I have basically been saying for the past 10 minutes. He sums up the situation brilliantly.

I cited the examples of a huge threat to national security or a double-dip recession, but we could doubtless think of other exceptional but nevertheless imaginable circumstances in which the straitjacket of this legislation would simply not be in our interests. When that problem came up on Second Reading, the Chancellor, with a waft of his hand, said, "Oh well. In those circumstances, we'd just ignore it." I am paraphrasing, but I should have the exact quote—it might have been still more casual, something like, "Of course we wouldn't be bound by this legislation in such circumstances." That prompts the question why we have been invited to spend hours in the Chamber when the legislation, as I understand it, is in practice a set of guidelines to which Ministers can adhere if they find that convenient, but ignore if that is a preferable option. Of course, the Government can do that in any case. If the Bill can be discarded on a whim, and if there are no sanctions for doing so, why have it at all?

On that basis, I tabled amendment 4, which would allow the provisions to be suspended for one year, which could of course happen repeatedly if that was felt necessary. I have sought to introduce a procedure that would give the Chancellor's casual observance a legal basis. I am not in favour of the Bill—I think it is utterly absurd—but if we are going to have it on the statute book, and if the Labour Members packing into the Chamber to weigh up the arguments cannot be persuaded of the case that I and others are making, we might as well have a measure that works and that is at least vaguely credible in terms of its practical application.

To have no contingency, which is the case at the moment, seems ridiculous. My hon. Friend alluded to the fact that that is particularly so because the Prime Minister who claimed to have abolished boom and bust has now presided over the biggest peacetime deficit in our history, or certainly for a very long time—I have actually been told that our deficit might have been greater in 1921. He is now introducing legislation that seems to be predicated on the assumption that, despite all evidence to the contrary, boom and bust has been re-abolished and there is no danger we will encounter it again.

Of course, that is not the Government's position in practice. The Chancellor announced in 2008 that he would break the Government's much championed golden rule, and when he was asked why he was doing that, he replied:

> "To apply these rules rigidly in today's changed conditions would be perverse."

That is precisely the point I am making. It would be perverse to apply this Bill, were it to become an Act, in the scenarios that I have been discussing.

Amendment 5 would require the Treasury to report

[Mr. Jeremy Browne]

made in the Budget 2008, the pre-Budget report 2008, the Budget 2009 and the pre-Budget report 2009. The amendment may appear, on first inspection, to be somewhat tangential, but I tabled it to emphasise the incompetence of the Government in their forecasts and management of public sector net borrowing, and ask the valid question why the Government expect us to have any faith or confidence in their ability to make these projections through to 2016.

In previous debates, the Chancellor has said—I paraphrase slightly—that although the forecast for borrowing for this year was £175 billion and has now gone up to £178 billion, he has always made it clear that the figure would be roughly of that order and nothing surprising has happened. But that is not the case. The latest estimate for the deficit for this financial year, which ends in a few months, is £178 billion. In the Budget in 2008—less than two years ago—the Chancellor predicted that borrowing this year would be £38 billion. He was out by £140 billion. He then revised the figure upwards in the PBR at the end of 2008 to £118 billion. In the Budget 2009, only a few months later, it was up to £175 billion—a £57 billion increase in only a few months. Then it went up again by another £3 billion in the PBR only a few weeks ago.

My point is that the Government's projections for the public finances were emphatically wrong, out by £140 billion. In the Budget 2008, less than two years ago, the Government prediction for borrowing in 2010-11 was £32 billion. They are now predicting that it will be £176 billion. For 2011-12, the Government predicted £27 billion of borrowing, and now they predict £140 billion. The Government's estimates are way off beam. They underestimate our borrowing requirements by almost £3 billion a week. Now they seek to give us a projection of their intentions right through to 2016 and invite us to take that seriously.

As I said on amendment 4, we do not know what will happen between now and 2016. We must have a plan in place with some intelligent, sensible guidelines that take account of the state of the economy and the need to reduce our huge deficit as quickly as we can, consistent with not damaging the economic recovery or economic growth and with maintaining the level of public services that people in this country want. It is a balancing act. A quarter of public spending is unfunded at present. There are no simple solutions and we are in a very difficult position, but the idea that there is some magic formula that can be put forward in a six-clause Bill, when the Government cannot even work out two years in advance their borrowing requirement, is entirely fanciful.

On that basis, I hope that the Committee will debate with enthusiasm, and support, amendments 4 and 5. Depending on what the Minister and others say, I might seek permission to press amendment 4 to a Division.

4.15 pm

Mr. Gauke: It is a pleasure to speak on this group of amendments, which essentially brings together various ways of delaying the Bill's implementation and assessing amendments 4 and 5, and I will say a word or two about that in a moment. The grouping also includes new clause 16, tabled by the hon. Member for Dundee, East (Stewart Hosie), and new clause 1.

Amendment 4 proposes to delay the operation of the Bill. I have much sympathy with the thinking behind the amendment as it was set out by the hon. Member for Taunton, although I am not entirely sure whether it would necessarily work as he would like and allow the disapplication of the Bill for a year. I will be interested to hear what the Minister has to say about that. I was confused by the words,

"beginning with the coming into force of the order."

Given that the targets and duties set out in the Bill will not apply immediately, I am not sure how effective that would be. Perhaps that can be clarified during the debate.

On amendment 5, I have a lot of sympathy with what the hon. Member for Taunton said about the need to review the accuracy of the forecasts provided by the Treasury in recent years. That was a well-made point. I suspect that the Minister will say in response to many of the hon. Gentleman's remarks that the recession threw everything out; that borrowing therefore rapidly increased; that we did not anticipate the recession, or at least the depth of the recession; and that that is why we are in this position.

The problem, however, goes deeper and goes back further. It is worth noting the various budget estimates of when the country would next have a balanced budget. In 2003 it was estimated in the Budget that we would have a balanced budget by 2005; by 2004 that had moved to 2007; in 2005—I do not know whether this is a coincidence, but that was the pre-election Budget—the estimate was still 2007; by 2006 it had moved to 2008; by 2007 it had moved to 2009; and by 2008 it had moved to 2011. And that was before we started to get into the real horrors of the recession and the significant downgrading in the 2009 projections.

Robert Chote, of the Institute for Fiscal Studies, put it nicely when he described the Treasury's record on projections of public finances as

"a sustained display of conviction forecasting".

There is a long-standing inaccuracy, and it all goes the same way. As far as the public finances are concerned, the Treasury has consistently underestimated the scale of borrowing and consistently taken an optimistic approach.

Mr. Love: In the forecasting business, it is easy to look back at previous forecasts and point out the inadequacies of those contained in the Budget and pre-Budget documents. However, the hon. Members for South-West Hertfordshire (Mr. Gauke) and for Taunton (Mr. Browne) speak as if there were a magic formula, or a forecaster who has been getting it right all the time. Yet all the private forecasters have been just as bad, or indeed even worse. Although the IFS has been critical of Government forecasts, it has not exactly been an accurate forecaster itself. Does the hon. Gentleman accept that there are difficulties in forecasting, and that all that his figures do is reflect those difficulties?

Mr. Gauke: Of course there are difficulties in forecasting,

good. I am being generous in not focusing on the spectacular inaccuracies of the past couple of years—a point made by the hon. Member for Taunton—because, as the Minister will no doubt say, there was the recession. However, there is another significant point to be made, which is that those inaccuracies are starting to undermine the credibility of the Government—by that I mean government in general; I am not necessarily making a partisan point—in that there is an apparently systemic bias in the Treasury's projections. We can run through the past six or seven years, but the Treasury constantly gets it wrong the same way, year after year.

Mr. Love: I thank the hon. Gentleman for giving way a second time. Let me take a specific example. It is well understood in the forecasting business that forecasts for six months or a year ahead can be relatively accurate, but as the forecast moves forward in years, the inaccuracy increases exponentially. Let us take the forecast for 2010-11. A year ago, when the Government made the forecast that growth would be 1 to 1.5 per cent., they were widely ridiculed, on the specific basis that the hon. Gentleman mentioned, for being biased in an over-optimistic way. We now discover that the consensus of forecasters is that growth this year will be 1 to 1.5 per cent. Does he admit that sometimes the Treasury gets it right?

Mr. Gauke: I do not think that the hon. Gentleman has accurately characterised where the debate was a year or so ago. I remember making speeches about the issue at the time, and the Treasury forecast was at the upper end of forecasts, but it was not that out of line. The criticism—I remember hearing this point made, and I even made it myself—was more of the forecasts for 2011 and onwards, which predicted a trampoline recovery, with growth at 3.5 per cent. year after year.

The Treasury might prove to be right about that. However, if the hon. Gentleman wants to highlight the success of the Treasury's growth forecasts, I would also remind him what the growth forecasts were for the economy at the time of last year's Budget. The forecast was for a much shallower recession than we have actually had. If I remember rightly, the Treasury predicted a recession of the value of about 3 per cent. of GDP, which is significant enough, but the figure turned out to be 4.5 per cent. Taken over those two years, the Treasury was not bang on the money; it got it wrong. However, when it comes to the public finances, the Treasury has consistently got it wrong the same way.

That could be just one of those things, but there is a certain perception out there. This is an important point that I want to put directly to the Minister, but there have been reports that the Prime Minister has on a number of occasions tried to interfere with the Treasury to ensure that its figures were better than they would otherwise have been, whether for growth or borrowing numbers. That accusation has been published on a number of occasions. It is a very serious accusation, so if the Minister could provide some reassurance to the House that there has been no interference from the Prime Minister in such matters, that would be welcome.

Mr. Jeremy Browne: I am interested in the point that the hon. Gentleman has just made. During my speech, I spoke of the [illegible] economic circumstances change, and my point was that this is so difficult for the Government precisely because the circumstances are always evolving in that way. Is the hon. Gentleman also saying that there is another factor at play—that improper political pressure is being brought to bear on the statisticians, and that the figures with which everyone in the House is working, and which are presented to the public at large, are not a faithful representation of what the Government believe the actual picture to be?

Mr. Gauke: Those are the allegations that have been made, and I hope that the Minister will be able to dispel them and put a categorical statement on the record that, as a Treasury Minister, he is not aware of any interference coming from the Prime Minister in this area. We will all be much happier as a consequence, and we shall not have to wait until the Chancellor publishes his memoirs.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): According to the PBR, the United Kingdom is going to be borrowing £403 million each and every day over the next six years. Given what the hon. Gentleman is saying about forecasts, does he think that that figure is likely to increase over that period?

Mr. Gauke: I am not going to get into the business of making forecasts on these matters—

Mr. Love: Very wise!

Mr. Gauke: Thank you very much. I am grateful to the hon. Gentleman for that intervention; he shows good judgment.

It is important that we have a credible system. We are not going to get into a full debate on this now, but our proposal for the establishment of an office of budget responsibility, whereby the powers to make such forecasts would be transferred to an independent body outside the Treasury, would address a number of issues, including the concern that political interference might drive some of the numbers produced by the Treasury. The hon. Member for Edmonton (Mr. Love) was right to say earlier that forecasting was difficult. We are talking about two very big numbers here—expenditure and receipts—and getting them exactly right is not something that we can necessarily expect. However, the bias—by which I mean the tendency of the Treasury to look at this always from an optimistic point of view—is a concern. Certainly, the reports—which do not come from my party—that the Prime Minister has tried to interfere in this are really important.

Ms Katy Clark: The hon. Gentleman keeps referring to accusations made by other people, and to reports. Is he making these very serious accusations himself? Is he suggesting that there has been some kind of interference with statistics from the Treasury or from the Office for National Statistics? If he seriously believes that, he should bring the evidence to the House.

Mr. Gauke: I am choosing my words carefully. I do not have the evidence that that has happened, but there have been various media reports—I am not going to list

[Mr. Gauke]

produced, as I understand it, directly by the Treasury. If the Minister could address that particular point, we would all be happy. I am not claiming to be bringing evidence of this to the House, but I think that it would be helpful, given that this discussion does exist, if it was addressed.

New clause 1, tabled in my name and that of my hon. Friend the Member for Rochford and Southend, East (James Duddridge), deals with consultation on the Bill. It is worth reminding the House of the purpose of the Bill. It is to provide greater credibility for the Government's fiscal policy. It was published at the time of the pre-Budget report, and it represents a policy that was heavily flagged at the Labour party conference last autumn.

4.30 pm

The intention behind the Bill is clearly to persuade those who lend to this country that it is a fiscally responsible country, and that the Government are a fiscally responsible Government. If the Bill is worth having, it might be worth knowing whether the argument is succeeding and whether those who are supposed to be persuaded that the Government will be fiscally responsible are, in fact, persuaded. The current evidence suggests that they are not persuaded. If I may, I shall provide a few quotations. The Minister is entitled to say that they are selective, but as we agreed earlier, all quotations are selective.

William Buiter, a former member of the Monetary Policy Committee, has said:

"Fiscal responsibility acts are instruments of the fiscally irresponsible to con the public."

Michael Saunders, one of the City's leading economists, has said that

"the government's plans for legislation to cut the deficit are not convincing and are probably just camouflage—a sort of 'fiscal figleaf'—for the lack of genuine action".

Richard Lambert, the head of the CBI and also a former member of the Monetary Policy Committee, has said of the Bill that

"it's...like...saying I'm going to join the gym and that means I'm fit already."

Ms Clark: The hon. Gentleman has quoted a number of people who have no doubt made statements for their own reasons, but does he accept that many other economists and financial institutions do not take the same view? For example, HSBC's global head of fixed income strategy has said that the chance of the UK's defaulting on its debt is zero. Does the hon. Gentleman not accept that the repeated accusation from the Opposition Benches is ill founded, that we are at no risk of losing our triple A status, and that Britain is still very stable? Does he not accept that by continually trying to run Britain down and suggest that our economic position is worse than it is, Opposition Members are doing no service to anyone?

Mr. Gauke: No, I do not agree with the hon. Lady. She quoted HSBC. Let me quote what was said by a representative of HSBC:

"The greater the uncertainty over fiscal consolidation, the greater the danger that businesses and households will become risk averse...leading to atrophying economic activity".

It should be remembered that the Bill was part of what the Government published at the time of the pre-Budget report. According to Goldman Sachs,

"The empirical evidence from the UK and elsewhere suggests that successful fiscal consolidations share two features: i) decisive action and ii) a focus on cutting public expenditure rather than tax increases...The plans laid out by the UK Government in the PBR have neither feature and, as such, do not represent a credible fiscal consolidation".

According to Citibank,

"The PBR fails to establish a credible and detailed route back to fiscal sustainability for the UK in coming years".

I could go on.

Mr. Jeremy Browne: Was not the hon. Member for North Ayrshire and Arran (Ms Clark) talking about two separate issues? There is a discussion to be had about Britain's creditworthiness and about whether the Conservative party is talking down our economic recovery prospects, but that bundle of issues is completely separate from the issue of whether a Fiscal Responsibility Bill is desirable.

It is possible to decide to be fiscally responsible without the need for a Fiscal Responsibility Bill, and it seems to me that it is desirable to be fiscally responsible, although not in the way that the Conservatives suggest. I believe that we, as a country, need to demonstrate a desire and an ability to get to grips with the deficit. However, the question of why on earth the Treasury needs to establish a legal framework rather than just getting on with doing the job that it is paid to do is completely separate from that.

Mr. Gauke: The hon. Gentleman makes a helpful intervention; there are two separate points there. If the Bill is intended to provide reassurance to those institutions that lend to us, or to the advisers to whom they listen, the evidence so far is pretty clear: it will not work. Have the Government set out a credible fiscal policy? Again, I think the evidence is pretty clear that they have not provided anything credible.

I return to the remarks of the Governor of the Bank of England last night, particularly his quoting of Ben Bernanke stating the need to set out a strong commitment to fiscal sustainability in the long term. The Governor went on to say that the Chancellor had made it clear that the spring Budget provides the opportunity to do precisely that. Implicit within that is the fact that the Government have not so far set out a strong commitment to fiscal sustainability. The whole point of the Bill is, supposedly, for the Government to demonstrate such a strong commitment, but nobody is convinced.

Ms Katy Clark: The hon. Gentleman has provided a range of quotations from different individuals and organisations, many of which were directly responsible for getting us into this mess in the first place. There is an irony in the fact that what is being said here today, and what was said on Second Reading, revolves around what the market demands, but as a result of that, ordinary people in this country will have their services slashed.

Mr. Gauke: I am grateful for that intervention, which repeated a point made on Second Reading by the right hon. Member for Holborn and St. Pancras (Frank Dobson). Let me go through this carefully in a way that the Government may find helpful.

At the moment, we are spending a lot more than we are receiving in tax receipts. I assume that the hon. Lady does not believe that we should stop the borrowing, but we cannot simply confiscate people's assets; we have to persuade them that if they are going to lend to us, they will get their money back. If we do not have credible fiscal policies, the markets—I know that the hon. Lady is not a fan of the markets—will either not be prepared to lend to us or will do so only at a higher rate because of the perceived risk. It is one of the great ironies of those on the left that they are so dismissive of international finance yet pursue policies that make this country so dependent on such finance to fund their very high levels of public spending. So there is an issue about fiscal responsibility. My point is that the Bill does not persuade the markets; if it does not do so, what is the point of it?

Perhaps I am wrong. Perhaps if we had a consultation, as new clause 1 suggests, some people might come along and say, "This is a jolly good idea; we are much happier to lend to the British Government because they have a Fiscal Responsibility Bill." I am somewhat sceptical about that happening, but perhaps it would.

Mr. Love *rose—*

Mr. Gauke: Before I go on to discuss the parliamentary procedure, I shall give way to the hon. Gentleman.

Mr. Love: An important point has to be made here. I think that the public will agree with the view of Government Members and some Opposition Members that if we were to cut off the fiscal stimulus, the best that could be expected is that it would undermine future growth prospects, increasing our deficit. The worst-case scenario, however, is that it would throw us into a double-dip recession. Either way, we will increase the amount of debt that we have to fund into the future.

Mr. Gauke: The hon. Gentleman makes an interesting point. It is not particularly relevant to the argument that I am trying to make, but I shall respond by making two comments. He presumably supported the withdrawal of the VAT cut at the beginning of the year. That cut was the big part of the Government's discretionary fiscal stimulus and they consider that withdrawing it was the right thing to do. We did not support the cut in the first place, as he knows. I simply make that point to him before he expresses too much certainty on the issue of the withdrawal of fiscal stimulus measures.

My second point relates to where the real risk lies. The Conservatives' view is in line with what a number of commentators have said and what the spokesman for one of the credit rating agencies, Fitch, said this morning. We think the real risk is that if this country does not have credible fiscal policies, it runs the risk of its credit rating being downgraded—that is clearly being looked at—and of paying more for its debt. If we pay more for our debt, we will end up with interest rates rising, and that will choke off the economy. So, there is a relationship between fiscal policy and monetary policy—this is exactly the point that the Governor of the Bank of England was making last night—and a judgment has to be made as to when one withdraws the fiscal stimulus and when one tightens these things. Our view is that we need to get on with it.

Stewart Hosie: There is indeed a question as to when one withdraws the fiscal stimulus, but this debate is taking place within a vacuum. The International Monetary Fund is clear about this matter: the UK is the only G7 country to be fully withdrawing its fiscal stimulus package in 2010. Irrespective of the view taken by the Conservatives or the Labour Front-Bench team, the idea that the stimulus package is still in place is completely false.

Mr. Gauke: The hon. Gentleman is right to caution against a simplistic understanding of the fiscal stimulus, but I should point out that the UK is borrowing more than any other G7 country and is in a worse position than any other G7 economy. We need to do more to rectify that.

Ms Clark: The hon. Gentleman referred to the Fitch report that has just been published. Does he accept that it also acknowledged that the UK has exceptional access to long-term financing and that the UK started from a lower debt base than most triple A-rated countries?

Mr. Gauke: But the report still warns that if no credible cuts in public spending are made after the next general election, our triple A credit rating is at risk.

Let us consider the reasons why we need consultation on this matter. Normally, we begin our scrutiny of a Bill with evidence sessions; if proceedings were not being taken on the Floor of the House, we would be able to invite along representatives of the credit rating agencies, City economists and other economists to find out what they thought about the Bill. Given that this Bill is so much about trying to move the perception of Britain's public finances in a more positive direction, hearing what those witnesses had to say would be hugely valuable and extremely helpful. We opposed the programme motion because of that, and I suspect that the hon. Member for North Ayrshire and Arran (Ms Clark) might have done so, too. I think that a great opportunity has been missed.

4.45 pm

The fact that we have tried to rush through this Bill in the course of one day—we have only an hour and a quarter left of the Committee and we are still dealing with the second group of amendments on clause 1, notwithstanding the limited number of contributions from Government Members—demonstrates that we are not able fully to do it justice. Is the Minister able to tell the Committee whether the Government consider this to be a money Bill? If that is the case, the House of Lords will not have the opportunity to give it the full level of scrutiny that it requires.

This Bill has not had sufficient parliamentary scrutiny. It is important to know what the wider world thinks about it. All the evidence so far suggests that it is a waste of time. New clause 1, which would give an opportunity for full consultation on the Bill, for a report summarising those consultation responses to be put before the House, and for Members to be given the opportunity to debate in Committee of the whole House whether to bring in the Bill, would be a valuable addition. It would ensure that we do not implement legislation that serves no purpose, that persuades nobody and that undermines the credibility of this place and the Government's policy on addressing our deficits. I hope that we will get the chance to vote on new clause 1.

Stewart Hosie: It is instructive that 18 new clauses and 21 amendments have been tabled to this six-clause Bill. That speaks volumes for the attempts made by all parties to make this hopeless Bill into something that is useable and desirable and that might deliver some end result from whatever perspective people look at it. Many more of my amendments and new clauses are in the next group, so I shall be brief on new clause 16. I shall also keep any general remarks for the debate on Third Reading, if we have time for one, as I hope then to catch Mr. Speaker's eye.

New clause 16 is specifically concerned with commencement. It is extraordinarily important that, before any duties imposed by order by the Treasury on the Treasury are carried out, there is absolute clarity about their impact, particularly on GDP growth and, frankly, public services and jobs. It is important that that should be in the Bill, because the Government, in the shape of the Chief Secretary to the Treasury, have failed to give us the information that we have asked for in previous debates, not least in the debate on the pre-Budget report on 7 January. He was asked questions that were directly related to the impact of the measures in this Bill and the duties that will be imposed to achieve the swingeing cut of £40 billion in 2013-14. The hon. Member for Croydon, Central (Mr. Pelling) asked,

"what is the estimate of the reduction in economic growth that will result from the proposed reductions in spend in the pre-Budget report?"

The Chief Secretary replied:

"The growth forecasts that we have set out are the basic answer to that question."

He said that, of course, there was

"a degree of uncertainty about the future path of growth for our economy",

and so on, and so forth. Of course, the basic answer to the question asked by the hon. Member for Croydon, Central was not the growth forecasts that had been set out—they are, if they are to be believed at all, the result of the combination of all the measures announced over a number of Budgets and pre-Budget reports that will impact on the total public finances in the next few years.

I followed up the hon. Gentleman's question by trying to get more out of the Chief Secretary. I asked him if he could

"tell the House what the suppression of gross domestic product growth will be as a result of £57 billion being taken out of the economy—£20 billion as a result of tax rises and £40 billion as a result of spending cuts."

He replied:

"I am trying to avoid taking the House through what would be a quite complicated economic equation, which no one will be surprised to hear I have not brought with me this afternoon. The hon. Gentleman is looking at only one side of the argument."—[*Official Report*, 7 January 2010; Vol. 503, c. 303-4.]

I have no doubt that it would have been a complicated formula, but I suspect the answer would have been very straightforward. The Chief Secretary ought to have been—and I hope that tonight the Minister will be—in a position to say that removing £40 billion from the economy by 2013-14 will result in suppression of GDP growth of 0.25 per cent. or 0.5 per cent., or perhaps that the formula reveals that that is the right thing to do and that that action alone will have a positive impact on GDP growth and jobs and services, although frankly, I doubt that.

Mr. Cash: I have enormous sympathy with the hon. Gentleman's objectives in this regard. The Chancellor has previously suggested—such as in the pre-Budget statement—that he thinks that if this Bill were enacted, it would require some adjustment in the light of future circumstances, which makes even greater nonsense of it. In light of the Chancellor's comments, does the hon. Gentleman agree that a report such as he is suggesting should be debated and voted on so that we are able to make a judgment about whether the Treasury should make an order in this regard?

Stewart Hosie: Yes, on balance I suspect that it would be right for such a report to be placed before the House, or both Houses, to be considered and voted on, but let us first take one step and secure the information before we get to the difficult bit of forcing the Government to debate and justify the information that as yet they are not even prepared to provide.

Mr. Pelling: As the Government are asking us to support the Bill, is it not important that they provide information on the expected impact on economic growth? If the argument were that the impact would be minimal, we might be more inclined to support them, but we need information that will enable us to make a sound judgment on how to vote.

Stewart Hosie: That is absolutely right, and it is the fundamental case that I am trying to make. Nobody believes this Bill will deliver anything. It will not deliver the degree of fiscal consolidation that the Conservatives want, and in my view it goes far too fast and far too deep and risks economic recovery—and in so doing risks making the task of tackling the deficit and then the debt more difficult. The Bill therefore satisfies nobody. We should at least have information in advance that enables us to determine whether the duties that the Treasury wishes to impose on itself are even sensible.

The big picture is that the 2 per cent. increase in Government consumption last year provided the stimulus to the economy, while household consumption was down 3.5 per cent., business investment was down 22 per cent. and gross fixed capital formation was down 17 per cent. We may reach the technical end of a recession, but growth will be slow, faltering and fragile, and there will be huge risks, particularly from unforeseen shocks, which could occur at any time. I am certain that, before the Government take any action that could weaken the economy or its ability to recover, they must provide a proper assessment of the impact on GDP growth of the actions that they intend to take.

Mr. Cash *rose—*

Stewart Hosie: I am about to finish. I am conscious that it is almost 5 pm and we are only on the second group of amendments relating to clause 1, and I have a great deal more to say on the next group.

Given that the Government have conceded that there would be a £57 billion reduction, two thirds of it in cuts to public expenditure—some £40 billion—we need to know precisely what impact the duties that the Treasury will impose upon itself when it makes those cuts will have on services, on jobs, and crucially in the context of the Bill, on economic growth.

Mr. Cash: I want to add one point, which I tried to make in an intervention. I am not easily put off.

Clause 2(6) states:

"A duty imposed by an order under this section must be consistent with the key principles as applied by the code for fiscal stability."

It is impossible for the objective that the hon. Member for Dundee, East (Stewart Hosie) wisely advocated—that there should be a proper report—to be achieved in line with those principles unless, under the code for fiscal stability, there is a definition of net debt. We have been over all that so we do not need to go into it again, but the internal contradictions and the combustible apparatus that the Government have created will blow up in their face. However, we need not go any further down that route for the time being, as there are other matters to be discussed.

Ian Pearson: I do not know whether it was because of something that hon. Friends of the hon. Member for South-West Hertfordshire (Mr. Gauke) knew he would say, or whether they were frightened off by something I said in the previous debate, but it will not have escaped the attention of the Committee that there were no Opposition Back-Bench Members supporting the hon. Gentleman during his contribution. I am pleased to welcome back belatedly the hon. Member for Stone (Mr. Cash), who has just made a contribution. The regular awkward squad was not present to support him.

This group of amendments and new clauses relate to two things—first, flexibility in fiscal targets, which we discussed to some extent on the previous set of amendments, and secondly, to the reports that the Treasury must produce before parts of the Bill come into force. I shall deal with those topics separately, starting with amendment 4, which is about flexibility. In essence, it would insert get-out provisions in the Bill.

I note the points that the hon. Member for Taunton (Mr. Browne) made in his speech, but I do not believe that his approach is the right one to take. It would weaken the position. I shall set out some points about flexibility, particularly in respect of future growth prospects. The fall in output following the global financial crisis has been the biggest factor in the increase in the deficit, so the return of strong and sustainable growth will be crucial in cutting the deficit over the medium term and restoring fiscal balance. Our forecast, as hon. Members know, is GDP growth of 1.25 per cent. in 2010, rising to 3.5 per cent. in 2011. As is the usual practice, revised forecasts will be produced at the time of the Budget.

In response to the hon. Member for South-West Hertfordshire, let me say that Government forecasting is a complex and detailed process. As far as I am aware, it is a process in which the Prime Minister is not involved in the slightest way. It is a very technical exercise. The UK forecasting expertise that we have in the Treasury stands comparison with independent forecasters.

The hon. Member for Taunton quoted figures relating to our forecasts in spring 2008. I know that he has spotted that things have been going on in the UK economy since spring 2008, and, like every other independent forecast, the Government's forecasts have not proved to be as accurate as we would have wished, but that is because we have had an unprecedented financial crisis that has led to the biggest global downturn in the world economy for 60 years. Everybody's forecasts have been out, and there is nothing exceptional about that.

5 pm

Mr. Pelling: I assure the Minister that this will be my only turn during this section of our proceedings. He is right to talk about the international context and the problems that the Government faced, but I was concerned to read in *The Irish Times* yesterday that the banks that we control through Government investment have given €6 billion of support to their Irish subsidiaries. Surely that should not be the Government's responsibility. In terms of the stresses and strains that are put on our own finances, it will impact on whether this Fiscal Responsibility Bill is required.

Ian Pearson: I must confess that I have not read *The Irish Times*, but the hon. Gentleman will be aware of the interconnected nature of the banking system in the global economy. We rightly took action to stabilise the banks in the United Kingdom—the Irish Government, as the hon. Gentleman is very well aware, have taken significant action to stabilise their banking system—and, indeed, to cut the deficit in Northern Ireland. The Bill proposes a set of measures that we believe are appropriate to the UK's specific circumstances.

Mr. Cash: Is the Minister able to distinguish between forecasting and soothsaying?

Ian Pearson: I think that it was Francis Bacon who talked about dreams and predictions being subjects only for a chat by the fireside, so I do not want to get into the differences between the two. What I do want to say is that forecasting is not an exact science; it is particularly prone to error when there are major global shocks, as we have seen over the past couple of years, so it is not surprising that the Treasury's forecasts, along with all other forecasts, have not proved accurate.

As the Chancellor said, the Government are cautious but confident about growth, and that assessment of growth has been used when judging the appropriate pace by which to reduce the deficit. We have discussed the appropriate pace before, and the Government want to ensure that the recovery is locked in. I believe that the economy is growing as we speak, but we do not want to jeopardise it. If we take action too early, we could put in danger the recovery that I believe is taking place this year.

If growth proves stronger than we are currently forecasting, the priority should be a further reduction in structural borrowing. The Bill allows for that by setting fiscal ceilings, not floors, and it sets targets that the Government judge appropriate, because it is deliberately drafted to allow for overachievement. The ceilings are binding and designed to provide certainty that the Government will deliver their consolidation plans.

It is worth noting that, subject to making progress on reducing borrowing every year, there is flexibility in the profile over which the deficit is halved by 2013-14. As I said earlier, there is the flexibility to accommodate lower growth and the greater impact of the automatic stabilisers as long as progress is made on reducing borrowing. It is important to recognise that.

[Ian Pearson]

The issue is not just about economic growth. The hon. Member for Taunton pointed out that significant shocks to the public finances could come from a natural disaster or other actions, and my general point is that, in extremis, the Government would have to come back to Parliament if it were necessary to amend the targets in the Bill. However, the Bill has been designed so that, rightly, the duties in clause 1 can be changed only through new primary legislation. That is a higher hurdle than the procedure in his amendment; and our approach allows for greater parliamentary scrutiny than his amendment, which would make it a lot easier to disapply the duties.

We think it right and proper that new primary legislation should be required in order to divert from the course set out in the Bill. The difficulty and seriousness of doing that should underline the Government's commitment to meeting the Bill's targets. I agree with the hon. Member for Taunton that it is important to consider alternative circumstances and scenarios. However, his amendment would make it too easy to change the targets when it is important that they are seen by everyone to be hard targets that could be changed only by going through the full parliamentary procedures required for new primary legislation.

Amendment 5 is the first of three amendments that would require the Treasury to produce a report before commencing certain parts of the Bill. It seeks to impose on the Treasury a requirement to lay before the House a review of the accuracy of recent forecasts. I understand the comments that have been made by the hon. Member for Taunton—I have referred to some of them—and by the hon. Member for South-West Hertfordshire. I accept, of course, that it is important to account for past forecast differences and to explain them in an open and transparent way; that is why, since 2002, the Treasury has published an end-of-year fiscal report. That report is underpinned by the provisions of the code for fiscal stability, which require the Government to provide an indication of past forecast errors for public sector net borrowing. The report provides retrospective reporting and analysis of fiscal issues, and it builds on the information that is already available and published in the Budget and the pre-Budget report. It is a comprehensive analysis of forecast performance, and many fiscal commentators find it a useful source of information. In addition to the regular analysis of changes from forecast to outturn in the end-of-year fiscal report, each Budget and PBR analyses changes from forecast to forecast made at the previous fiscal event and provides a discussion of these developments. A lot of information is available out there on a regular basis. The Treasury reviews the accuracy of its forecasts, in the way that I have outlined, and its forecasts compare well with those of other forecasters such as the OECD, the International Monetary Fund and the European Council. The amendment is therefore unnecessary.

New clause 1 would require the Treasury to carry out consultation on the Bill and to lay before Parliament a summary of the responses. I do not believe that that is necessary. We have already set out and explained our consolidation plans on more than one occasion. At Budget 2009, we clearly set out fiscal plans to secure sound public finances. At that time, the fiscal judgment was to more than halve borrowing to 5.5 per cent. of GDP in 2013-14. That judgment was confirmed in the PBR forecast, and through powers in the Bill it has been put into legislation. The path for consolidation has remained stable, and it has been public for some time. There has been significant discussion of these plans by financial commentators; and indeed, many discussions have been held in this House. A range of views have already been expressed. We have heard lengthy quotes from the hon. Member for South-West Hertfordshire and from a wide range of stakeholders.

There are already mechanisms in place that allow for the policy to be scrutinised. In particular, after each Budget and PBR the Treasury Committee takes evidence, not only from Treasury Ministers and officials but from expert witnesses. The Treasury also receives a large number of representations in advance of each PBR and Budget. Introducing a late-stage consultation process and similar requirements would risk creating unnecessary uncertainty about plans that have already been extensively discussed and are in the public domain.

Mr. Gauke: Has the Treasury received any representations telling it what a good idea the Bill is? In particular, have any financial institutions or credit rating agencies commented favourably upon it?

Ian Pearson: Germany has already introduced similar legislation, and the IMF, in a report that I believe was published in December, stated that legislating on fiscal frameworks can make good sense, so what we are doing is not exceptional. That is the point that irritates me slightly about the Opposition. They pretend that what we are doing is bizarre and unusual and that no sensible Government would do it, but the German Government have already done it and the IMF says it is sensible, so it is nothing other than good practice. It can help to ensure that there is greater market confidence that the Government will carry out credible plans for fiscal consolidation.

That is not to say that there is not more to be done in future. Clearly there is, and we will want to make further announcements in the Budget. We are engaged in a long haul, but it is right that we are clear about the direction of policy and that we set out our policies for the medium to long term. That is exactly what we are doing.

New clause 16 would require the Government to report on the effect of our consolidation plans on economic growth. I wish to make it clear that we assess the impact of our policies on economic growth as a matter of course. That is part and parcel of what we do—it is the day job of the Treasury to consider such matters. The Government have judged that the pace of consolidation required in the Bill is consistent with supporting growth in the early stages of recovery and the need to ensure sound public finances in the medium term. The hon. Member for Dundee, East (Stewart Hosie) and I happen to disagree on the pace of consolidation. He thinks we are going too fast and the official Opposition think we are going too slow. We think that we have got it right.

Ms Katy Clark: Will my hon. Friend give way?

Ian Pearson: I know that some of my colleagues believe we might be going slightly too fast. I am happy to give way, and I hope that I can convince them otherwise.

Ms Katy Clark: I look forward to that debate.

Obviously growth will be the most important thing in the coming period. We need our economy to grow again as fast as possible and in a way that maximises employment opportunities. If it is clear that the cuts in public spending are having an impact on economic growth, will the Treasury reconsider the matter?

Ian Pearson: The Treasury will always be concerned about the impact of public spending on growth. As part of its normal Budget and pre-Budget report process, it will need to examine the economy as a whole and public sector spending plans in order to set out credible and sustainable plans for the future. My hon. Friend is absolutely right to point out the sensitivities that exist.

I have to be absolutely blunt—we will have to make some tough choices about public expenditure in future. We have already made some tough decisions, as my hon. Friend and other Members well know. We have taken measures to introduce a fiscal consolidation of already about £57 billion, including measures that will raise tax, such as a 50p tax rate and increased national insurance contributions, and we have made efficiency savings through schemes such as the smarter Government programme and the operational efficiency programme. Those measures will make a significant difference.

My hon. Friend is right to point out the central importance of economic growth. The more we can get growth going in the UK economy again, the better the public finances will be in the longer term. Our forecast for GDP growth was set out in the pre-Budget report and shows growth accelerating to above trend rates in 2011. It takes account of the consolidation plans that we have in place and of previous Budgets and pre-Budget reports, which is why I do not believe a separate report is required.

I think that I have dealt with the amendments. Amendment 4 would make it easier for any Government to get out of their fiscal framework targets, and that is not the right approach to take. Similarly, I think that I have given some good reasons for not accepting the other amendment and new clauses, and shown that the information is already available, so the proposed reports are not needed.

5.15 pm

Mr. Jeremy Browne: When talking about amendment 4, the Economic Secretary recognised that there were circumstances—he cited natural disaster, but the most obvious example is another recession in the next few years—whereby it would be impossible or at least extremely difficult to stay within the Bill's parameters. The Chancellor has acknowledged the same point, but there is no provision, save for getting rid of the Bill, for the necessary procedures to take account of issues of great budgetary consequence, whether natural disaster, another recession, a war and so on.

That rigidity is a failing of the Bill. I can understand the Economic Secretary's point that too much flexibility means that the Bill loses worth. In my view, it has little worth anyway. However, if targets are to be set, even though they are based on forecasts that get harder to project with any accuracy as we go into the future, such an approach must make some provision—as the Chancellor and the Economic Secretary acknowledged—for events overtaking the predictions. That is why amendment 4 tries to include some flexibility that would not mean ripping up the Bill.

The amendment would provide for a suspension for one year, which would take effect when the Bill came into force. The Conservative spokesman was anxious about that, but the provision must take effect from day one. The amendment would provide for suspending the Bill for a year if the situation were sufficiently grave. Of course, it could be suspended for a second or subsequent years, but that could be done only by an order laid before Parliament—it could not therefore be done by Executive fiat—and a positive resolution of the House. We would have to make a conscious decision if the Chancellor came to the House and said that he or she was unable to continue following the timetable in the Bill because of factors so grave that it would not be in our national interest to abide by it.

Mr. Cash: So tear it up.

Mr. Browne: The amendment would allow the Bill's suspension for a year. I am all in favour of not having the Bill—I voted against it on Second Reading and intend to vote against it on Third Reading. However, if we are to have it—Labour Members are in the majority and show no inclination to vote it down—we, as a responsible Opposition party, will try to make it as workable as possible.

It is perverse to have no provision between now and 2016 for exceptional events when, two years ago, the Government were unable to predict the current exceptional budget deficit. For that reason, I will press the amendment to a Division.

Question put, That the amendment be made.

The Committee divided: Ayes 203, Noes 276.

Division No. 50] **[5.19 pm**

AYES

Afriyie, Adam	Bruce, rh Malcolm
Ainsworth, Mr. Peter	Burns, Mr. Simon
Alexander, Danny	Burrowes, Mr. David
Amess, Mr. David	Burt, Alistair
Ancram, rh Mr. Michael	Butterfill, Sir John
Atkinson, Mr. Peter	Cable, Dr. Vincent
Bacon, Mr. Richard	Campbell, rh Sir Menzies
Baldry, Tony	Carmichael, Mr. Alistair
Baron, Mr. John	Cash, Mr. William
Beith, rh Sir Alan	Chope, Mr. Christopher
Bellingham, Mr. Henry	Clappison, Mr. James
Beresford, Sir Paul	Clark, Greg
Binley, Mr. Brian	Clarke, rh Mr. Kenneth
Blunt, Mr. Crispin	Clegg, rh Mr. Nick
Bone, Mr. Peter	Clifton-Brown, Mr. Geoffrey
Boswell, Mr. Tim	Cormack, Sir Patrick
Bottomley, Peter	Cox, Mr. Geoffrey
Brady, Mr. Graham	Crabb, Mr. Stephen
Brake, Tom	Davey, Mr. Edward
Brazier, Mr. Julian	Davies, David T.C. *(Monmouth)*
Breed, Mr. Colin	Davies, Philip
Brooke, Annette	Davis, rh David
Browne, Mr. Jeremy	Djanogly, Mr. Jonathan
Browning, Angela	

Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Hosie, Stewart
Howarth, David
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Leech, Mr. John
Leigh, Mr. Edward
Lewis, Dr. Julian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Opik, Lembit
Ottaway, Richard
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
John Hemming and Mr. Alan Reid

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hermon, Lady
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon

Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, rh Mr. Pat
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. John Heppell and Mary Creagh

Question accordingly negatived.

Stewart Hosie: I beg to move amendment 6, page 1, line 14, at end add—

'(4) The initial duties as set out in subsections (1) to (3) above shall have no effect if a Minister certifies at the end of each financial year that fiscal policy has been conducted over the relevant period in accordance with section [Principles] and in compliance with orders made under section [Duties for securing sound public finances]'.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): With this it will be convenient to discuss the following: amendment 9, in clause 3, page 2, line 21, leave out 'duty in section 1(1)' and insert 'principles in section [Principles]'.

Amendment 10, in clause 3, page 2, line 27, leave out 'duty in section 1(1) applies' and insert

'principles in section [Principles] apply'.

Amendment 11, in clause 3, page 2, line 29, leave out 'duty relating to that financial year was' and insert 'principles were'.

Amendment 12, in clause 3, page 2, line 32, leave out 'duty in section 1(1)' and insert 'principles in section [Principles]'.

Amendment 13, in clause 3, page 2, line 38, leave out 'duty in section 1(1) was' and insert

'principles in section [Principles] were'.

Amendment 14, in clause 3, page 2, line 41, leave out 'duty in section 1(3)' and insert 'principles in section [Principles]'.

Amendment 15, in clause 3, page 3, line 1, leave out subsection (6).

Amendment 16, in clause 4, page 3, line 16, leave out 'duties in section 1' and insert 'principles in section [Principles]'.

Amendment 17, in clause 4, page 3, leave out line 22.

New clause 14—*Principles*—

'(1) The Treasury must ensure that Government debt is reduced to a prudent level.

(2) Once debt is reduced to a prudent level, the Treasury must seek to maintain a balanced budget on average over the medium to long term.

(3) The Treasury must achieve and maintain a level of net worth that provides a sufficient buffer against unforeseen future factors.

(4) The Treasury must manage fiscal risks prudently.

(5) Her Majesty's Ministers must pursue policies which are consistent with a reasonable degree of predictability about the level and stability of tax rates for future years.'.

New clause 15—*Duties for securing sound public finances*—

'(1) The Treasury may make an order imposing on the Treasury a duty or duties framed by reference to the principles in section [Principles].

(2) A duty imposed by an order under this section must be one imposed for the purpose of securing sound public finances.

(3) A duty imposed by an order under this section may be a duty relating to fiscal policy which the Treasury consider appropriate.

(4) A duty imposed by an order under this section must be consistent with the key principles in section [Principles].

(5) An order under this section is to be made by statutory instrument.

(6) No order may be made under this section unless a draft of the statutory instrument containing it has been laid before Parliament and approved by a resolution of the House of Commons.'.

Stewart Hosie: I hope to speak to the amendments and new clauses in a fashion that makes sense in the short time available. Apart from amendment 6, which I shall describe separately, this is a package of amendments and new clauses that seeks fundamentally to replace the duties that the Government sought to impose on themselves with a set of principles, according to which the deficit and then the debt would be tackled and reduced.

Amendments 9 to 14 would amend the section on progress and compliance reports to align them with the principles that I have set out in new clause 14. Amendment 15 would remove the requirement to report on the duties in clause 1(3), as I am seeking to replace those duties with principles. Likewise, amendments 16 and 17 would remove references to "duties in section 1". New clause 15 would allow duties to be imposed, but only in so far as they are framed with reference to the principles set out in new clause 14, which is the key new clause, as it lays out the principles that I believe should be adhered to, rather than having the arbitrary political dividing lines, cuts and time scales—the straitjacket to which others have referred—set out in the Bill.

However, before I address that point more fully, let me briefly describe amendment 6. It was tabled with the purpose of preventing the Government from taking any action or imposing any further duties—or damaging cuts, as we call them—if the principles of fiscal responsibility set out in new clause 14 are already being adhered to. In a sense, amendment 6 is a stand-alone amendment. Because of the way in which amendments can be debated and called in this place, it made sense, if I chose to press it to a vote, to table it in such a way that it could stand alone.

The key provision in the group, however, is new clause 14, and that is what I should like to concentrate on. It contains five principles, which, as I said on Second Reading, are closely based on the principles that the New Zealand Government introduced in their Fiscal Responsibility Act 1994. The first principle is about reducing debt to a "prudent level". It is important that we should allow the Government of the day to specify what is or is not prudent, depending on the circumstances that they face. There must be a degree of flexibility, which is a theme running through all our debates today.

The second principle says that once debt is reduced, the Government should

"maintain a balanced budget on average over the medium to long term."

That would not prevent any Government from implementing the steps that they believed were necessary to achieve the long-term objective of having a prudent level of deficit and prudent debt levels, but it would mean that that would happen, on average, over the medium to long term, rather than arbitrarily specifying one economic cycle or one Parliament, which is what the Bill does and what everybody in the House—and, I suspect, everybody viewing this debate from the outside—knows is simply an artificial dividing line.

The third principle says that the Government should

"achieve and maintain a level of net worth that provides a...buffer against unforeseen future factors."

That point is vital and takes us back to our earlier debate about how the Government will use the statistics to measure their performance. They have talked about public sector net borrowing and public sector net debt, or PSNB ex and PSND ex, and state in the draft fiscal stability code that that

"excludes temporary effects of financial interventions but accounts for any permanent costs to the taxpayer."

It is right and proper that any Government should pay attention to the totality of the economic circumstances.

The fourth principle calls on the Government to "manage fiscal risks prudently". That is common sense—one would not have imagined that we needed a piece of legislation to do that, but then nor would one have imagined that we needed a fiscal responsibility Bill to tell the Government that the deficit and debt levels are too high. The fifth principle is that the Government must

"pursue policies...consistent with a reasonable degree of predictability about the level and stability of tax rates".

That is incredibly important, because the tax system, tax rates and tax certainty are a vital component of fiscal stability and fiscal responsibility.

Those principles are important, because we need to have a prudent level of debt, as well as a prudent level of deficit, which feeds the debt. However, they might vary depending on the circumstances, and the flexibility that I have described will almost certainly be required.

Kelvin Hopkins: I am interested in what the hon. Gentleman says. He talks about a prudent level of debt, but in fact our gross debt is reasonable compared with many other countries. Most countries have higher debt levels. The annual borrowing figure is relatively high in the short term, but I would suggest that we already have a prudent level of debt, and it is not going to get much higher than anything that we would regard as prudent.

Stewart Hosie: It is forecast to grow; the Minister conceded that earlier. It will go up to about 77 per cent. of GDP in 2014-15, according to the Government's figures, and according to the treaty calculation that we heard so much about earlier, it will go up to £1.7 trillion, which is about 91 or 92 per cent. of GDP. The hon. Member for Luton, North (Kelvin Hopkins) has been present at many of the debates on the Bill, and he will know that other measures of debt take those figures higher still.

The key point is that the level of debt is determined by the annual level of deficit. We have high levels of deficit, and we need to bring them down to a prudent level. We also need the flexibility, which I am about to describe, to take cognisance of circumstances so as not to make the situation worse. Many have said today and on Second Reading that, if growth rates are not as the Government expect, or if we enter another downturn

before the deficit targets have been reached—a real danger, if the Labour Government back-load the cuts and we hit another downturn with no room to manoeuvre—we might be unable even to invoke the automatic stabiliser, let alone to use the proper fiscal stimulus package that could well be necessary to prevent the situation from deteriorating further.

Kelvin Hopkins: We could have a debate about what is or is not a prudent level of debt, but we should all focus on how we bring down the deficit. The way to do that is surely to maintain public investment, particularly in job creation and the sustaining of jobs, in order to maintain tax revenues and minimise the level of benefits payments. That is the way forward, which means that a prudent level of public spending might be rather higher than most people are implying.

Stewart Hosie: The hon. Gentleman's last point is absolutely right. That is why I have been critical of the Labour Government's £800 million cut to the Scottish budget, and why the Scottish Government and the Scottish National party have argued for a further year's re-profiling of capital expenditure to protect the economic recovery and not allow it to be threatened in any way. I have argued time and again that we must have a sustained and sustainable recovery before we start the fiscal consolidation. As I have said, if people think that tackling the deficit and, subsequently, the debt will be difficult from a position of sustained economic growth—and it will be—it will be impossible from a fragile position of weak recovery, of no recovery at all or of a double-dip recession. So the hon. Gentleman's last point is absolutely right.

Another reason that I have specified principles and flexibility in my proposals is to encourage a debate. Other countries have been through this, and I have cited the New Zealand example because it was successful. It allowed flexibility but it gave that country a clear direction of travel. When it was considering all the options, New Zealand's finance and expenditure committee looked at the fixed, straitjacketed, time scale-driven approach that the UK Government are taking. The committee said:

"There is no solid theoretical justification for any particular fiscal target that can be maintained over a period of time. Judgements on the appropriate level of fiscal aggregates vary over time and depend on the economic circumstances currently prevailing."

Having looked at the UK and other countries, the committee went on to say:

"Other countries' experience of legislated targets suggests that there are substantial risks attached to their use. In particular, rigid adherence can seriously distort decision-making and, unless carefully handled, minor variations from target can result in significant but unnecessary damage to credibility."

That is a very real danger with this Bill. If the Chancellor or a future Chancellor were to come back at some point and say, "It didn't work, so we're just going to ignore it," their credibility would disappear completely.

The committee's third observation that was of interest in this context was that the

"inherent inflexibility"—

that is, of fixed targets—

"makes it difficult for fiscal policy to respond appropriately to the inevitable volatility of economic circumstances."

That reflects precisely my argument about the inability to use either the automatic stabilisers, which would be ludicrous, or, more significantly, an additional fiscal stimulus, should the economy deteriorate and the situation worsen to the point at which a fiscal stimulus was required.

5.45 pm

We need the flexibility for a simple reason, which is also the reason why I think that a principles-based approach is much better than the rigid approach adopted by the Government. If we faced a significant downturn and any Government were determined to stick rigidly to what they had planned, it would not simply be a question of the absence of automatic stabilisers or of a fiscal stimulus. Any adherence to the Government's short-term, fixed-time-scale approach would involve an absolute requirement for deep, savage, real-terms cash cuts there and then.

I hope that I have argued, briefly, the case for a principles-based approach that works, that takes seriously the issue of deficit and debt, and that would remove the political dividing line which, as we know, this is all about. I look forward with interest, although with no great expectation, to the Minister's response.

Ian Pearson: I am grateful to the hon. Member for Dundee, East (Stewart Hosie) for tabling the amendments, because I think it important for us to debate the framework of the Bill. As the hon. Gentleman explained, his amendments seek to replace the target-based duties in the Bill with duties to comply with broad principles very similar to those used in the New Zealand Fiscal Responsibility Act. In general, those principles relate to prudent management of the public finances. There is then the flexibility for the Treasury to impose further duties on itself, framed by reference to the principles. The amendments would also give Ministers power to disapply the targets in clause 1. Legislative principles are, of course, useful. That is why the Government already have a set of them; they are enshrined in the Finance Act 1998, and underpin the Government's fiscal policy and framework.

I believe that specific quantitative targets for deficit and debt reduction are most helpful to supporting consolidation at the present time. Those targets will deliver the Government's objectives in a manner that accords with their principles. As I explained earlier, the Government have set out their key principles in the Finance Act 1998 and the code for fiscal stability. A revised version of the code was published yesterday, and copies are available in the Library. Those key principles are stability, transparency, responsibility, efficiency and fairness. Section 155 of the Act states:

"It shall be the duty of the Treasury to prepare and lay before Parliament a code for the application of the key principles to the formulation and implementation"

of fiscal and debt management policy, and the code for fiscal stability states that the Government shall conduct their fiscal policy in accordance with those principles.

Let me briefly run through each of the principles that the hon. Member for Dundee, East outlined. I think it is possible to demonstrate that the Government's framework, strengthened by the Bill, covers each of those principles.

Mr. Pelling *rose*—

Ian Pearson: Before I do so, however, I shall give way to the hon. Member for Croydon, Central (Mr. Pelling).

Mr. Pelling: I am grateful to the Minister for helpfully elucidating some of those principles. One of the principles that he mentioned was that of transparency. Surely it would be particularly transparent to respond to the questions that have been posed this afternoon about the analysis that the Government must surely have conducted of the impact on economic growth of the specific targets for reduction in the rate of Government spend. Is it possible for the Minister to give us some confidence by telling us what he expects to be the impact of the first two years of the proposed rate of reduction?

Ian Pearson: I think the hon. Gentleman is in danger of returning to the debate that we have just had. As I said then, the fiscal consolidation plans that the Government have announced, involving £57 billion, have already been taken into account in the growth forecasts produced at the time of the Budget and the pre-Budget report.

The first principle of the hon. Member for Dundee, East is to ensure that debt is

"reduced to a prudent level".

Of course we support that intention; it is necessary for sound public finances. Indeed, this is why the Bill is all about giving the Treasury duties to secure sound public finances. I point the hon. Gentleman in the direction of the Bill's long title. It is in connection with the importance of putting debt on a sustainable path that the third duty in clause 1 is to have debt falling by the end of the plan.

The hon. Gentleman's second principle is to

"seek to maintain a balanced budget"

in the medium term. Again, that is reasonable, subject to circumstances. The public finance projections in the pre-Budget report show that the cyclically adjusted current balance will return to zero in 2017-18.

The hon. Gentleman's third and fourth principles relate to fiscal insurance against unforeseen factors and managing fiscal risks. The Government agree that these are important, which is why the code for fiscal stability states:

"The principle of responsibility means that the Government shall operate fiscal policy in a prudent way, and manage public assets, liabilities and fiscal risks with a view to ensuring that the fiscal position is sustainable over the long term."

Each Budget and PBR includes a description of the key risks to the public finances, so I would argue that the hon. Gentleman's principles are already followed.

Furthermore, I would argue that the duties to secure sound public finances are consistent with the principle. Securing sound public finances is all about putting the public finances on a path such that they are able to withstand unknown future shocks. It is consistent with our medium-term fiscal objective to ensure sound public finances and to ensure that spending and taxation impact fairly within and between generations, which, again, is what the hon. Gentleman seeks to achieve.

The hon. Gentleman's final principle is all about stability of policies. Once again, I have great sympathy with it. It is reflected in the Government's key principle of stability, whereby so far as is practicable,

"the Government shall operate fiscal policy in a way that is predictable".

That is why, as part of our reforms to fiscal policy in 1997, we introduced new fiscal objectives, as required by the code for fiscal stability. The objectives we set out then remain in place today.

I very much agree with the spirit of the principles as set out in the hon. Gentleman's new clause, but I believe that they are already adequately embraced in the Government's current fiscal framework. The right approach in current circumstances is to build on those principles and to set out binding targets for consolidation that enhance certainty and confidence. Setting out quantitative targets in legislation will help businesses and investors make long-term plans, with assurance about the fiscal position and the financing environment.

I know that the hon. Gentleman believes that the balance of risks is against consolidating before the recovery is entrenched, and I suspect that that is one of the reasons why he tabled his amending provisions—to provide the Government with a greater degree of flexibility. We also accept that there are risks in consolidating too soon. That is why, as I explained before, we continue to support the economy in the financial year 2010-11. It is important to support growth, which will make it easier to lower the deficit and pay back debt. That is a key point that I have put to my hon. Friends and to the House more generally.

As the Chancellor said, however, support for the economy must go hand in hand with steps to ensure sound public finances once the recovery is established. In our judgment—it is a matter of judgment—the economy will be able to support a more rapid tightening in 2011-12. That is why we have set out plans to do that; the Bill is designed to ensure that we meet them.

Kelvin Hopkins: I am pleased to hear that the Government continue to support growth to support expansion, at least for the short term—that is, next year. Does the Minister accept that the best way of doing that is to target public investment, which would have the greatest effect on maintaining and expanding employment, particularly if jobs in the public sector are kept going, thus maximising tax revenues, minimising benefit payments and achieving the Minister's objectives?

Ian Pearson: As my hon. Friend will be aware, we already have significant public investment plans for 2010-11, which we are not changing. We have a significant capital investment programme and we have announced initiatives such as the continuation of the enterprise finance guarantee to provide support to small and medium-sized businesses, and the extension of the time to pay arrangements to help businesses and stimulate growth. What we do not want to do is jeopardise the recovery that I believe is taking place in this country by taking precipitate action that would tip the economy back into recession; that is a real risk with the policies of Opposition parties. The judgment that we have made to focus our attention on a more rapid tightening in 2011-12, when we confidently expect the economy to be strengthening, is the right one.

Kelvin Hopkins *rose—*

Ian Pearson: I hope my hon. Friend will not mind my not giving way to him again, because I wish to conclude and give the hon. Member for Dundee, East the opportunity to reply to the debate.

The Government's plans do not involve consolidating too soon, and we believe that putting firm quantitative targets in legislation is the right approach in the circumstances. It is, as I have said, in line with what other countries are doing—Germany being a good example. I do not disagree with the hon. Gentleman's view that we need to have principles but, as I hope I have explained, in our code for fiscal stability and our approach, the Government are following those principles. However, we wish to build on them with quantitative targets, as we believe that that is the right thing to do in the circumstances. Given that explanation, I hope that he will be able to withdraw the amendment.

Stewart Hosie: I thank the Minister for his answer. He relied heavily on, and prayed in aid, the draft code for fiscal responsibility. I suspect that if I were to go through it in as much detail as I want to do, we would be here for some time. It talks about transparency, but as I have said, the Government seem determined to use the public sector net borrowing and debt ex figures—those excluding the contingent liability. It talks about responsibility in the management of the public finances, but then may well negate the use even of the automatic stabilisers. It remains wholly inflexible; as the Minister said, that was my main rationale for tabling the amendments. It talks about fairness, including between generations, but this Government are allowing generation after generation still to come to pay for the off-balance-sheet private finance initiative debt, which keeps going up and stands at about £2 billion.

However, to be fair, the Minister said that he recognised the risk of consolidating too soon. Given that the IMF has confirmed that the UK is the only G7 country fully to withdraw its fiscal stimulus package in 2010, and given the fact that the risks of even being able to tackle the deficit and the debt will be much greater if the economy's recovery falters or if we tip into a double-dip recession, I think that the Government, although they are cognisant of the risks, are ignoring them.

I do not intend to press amendment 6 to a vote. It is an enabling amendment and the real debate would have been about new clause 14, which will not be called—I understand and respect that. There may be an opportunity for a vote on clause 1 stand part and other items yet to come, so I beg to ask leave to withdraw amendment 6.

Amendment, by leave, withdrawn.

Question put, That the clause stand part of the Bill.

The Committee divided: Ayes 267, Noes 201.

Division No. 51] **[5.59 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
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Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Foliett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McDonnell, John

McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Rammell, Bill
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Helen Jones and Mr. John Heppell

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert

Tapsell, Sir Peter
Taylor, Mr. Ian
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Bill Wiggin and
Mr. Stephen Crabb

Question accordingly agreed to.

Clause 1 ordered to stand part of the Bill.

6.15 pm

Proceedings interrupted (Programme Order, 5 January 2010).

The Chairman put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Clauses 2 to 6 ordered to stand part of the Bill.

New Clause 1

COMMENCEMENT

'(1) This Act comes into force on such day as the Treasury may by order made by statutory instrument appoint.

(2) No such order may be made unless a draft of the statutory instrument containing it has been laid before Parliament and approved by a resolution of the House of Commons.

(3) No such draft may be laid until the Treasury has conducted a consultation on the contents of this Act and laid before Parliament a report setting out a summary of responses.'.—*(Mr. Gauke.)*

Brought up.

Question put, That the clause be added to the Bill.

The Committee proceeded to a Division.

The Chairman: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The Committee having divided: Ayes 201, Noes 266.

Division No. 52] **[6.15 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard

Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Stephen Crabb and Bill Wiggin

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Oiner, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Rammell, Bill
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.

Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Helen Jones and
Mrs. Sharon Hodgson

Question accordingly negatived.

The Deputy Speaker resumed the Chair.

Bill reported, without amendment.

Third Reading

6.31 pm

Ian Pearson: I beg to move, That the Bill be now read the Third time.

I thank all hon. Members who participated in the Committee stage today. The Bill is short, and we have had sufficient time to scrutinise its key provisions.

As we debated on Second Reading and in Committee, the Government have set out consolidation plans to halve the deficit over four years and put debt on a downward path. The Bill places obligations on the Government to cut the deficit at an appropriate and sensible pace, as well as allowing us to protect the economy and maintain key public services.

Every country has been hit by a severe financial crisis, resulting in the worst global economic recession for decades. That has had a profound impact on the public finances and resulted in a significant increase in Government borrowing and public sector net debt. We have had to be responsible but flexible in the way in which we have dealt with those changing circumstances. That is why the Government provided a fiscal stimulus to support the economy and help people and businesses—a measure that the Conservative party opposed.

Of course, there were costs to stepping in, but not allowing borrowing and the deficit to rise to help people and businesses would have meant greater pain and more job losses. However, the Government have always made it clear that support for the economy must be followed by steps to rebuild our fiscal strength. It is our judgment that tightening fiscal policy too much in 2010-11 would risk the recovery and be likely to cause the fiscal position to deteriorate. We believe that the economy can support a more rapid tightening in 2011-12, and growth will help us reduce our borrowing and debt.

As we look to the future, the Government believe that it is appropriate to strengthen the fiscal framework. Other Governments around the world are considering similar measures. The Bill enshrines consolidation plans in legislation. It requires the Government to have at all times a legislative fiscal plan, approved by Parliament, for delivering sound public finances, and places a binding duty on the Government to fulfil the plan.

Some have claimed that placing those plans in statute is a distraction. As we have debated, legislation will provide certainty and stability for business, and the Bill will bind the Government, to ensure that they deliver the tough decision to more than halve the deficit over four years and get debt falling.

The UK is not alone. As Governments throughout the world work together on the response to the downturn, many other countries are also examining their fiscal frameworks. Indeed, the International Monetary Fund has highlighted fiscal responsibility laws as a way of supporting fiscal adjustment by strengthening institutional arrangements. As I have said previously, Germany already has similar legislation on its statute book.

The fiscal plan for delivering sound public finances must be approved by Parliament before it becomes law. As I said, the Bill places a binding duty on the Government to meet that plan. We believe accountability to Parliament is important. Giving Parliament that new scrutiny role in relation to progress and compliance with fiscal plans is innovative and new for the Government.

I contrast what the Government are doing—we are willing and prepared to be open and responsible to Parliament—with the policies of the Conservatives, who want to set up an office of budget responsibility, which would, in effect, be an unelected quango. They would diminish the role of Parliament in such important decisions, but we do not believe that that is the right thing to do. Under the Bill the Government will be required, through regular progress and compliance reports, to account to Parliament for their actions. The progress reports, which will be produced alongside Budgets and pre-Budget reports, must set out progress that has been made toward compliance with the plans. If targets are not met, the Treasury must explain why not to Parliament.

I think it right that that is the method of accountability. The Conservatives say that we could hive off economic forecasting to a separate office, while presumably relying on those forecasts, but who would be responsible if the forecasts turned out to be wrong? Who is to blame if policy is wrong because forecasts are wrong? Would it be the new office of budget responsibility or the Government? Why should Parliament not hold the Government to account for those actions? That is why setting up a new office or body and separating forecasting from policy consideration and delivery, rather than going down the legislative route that we have proposed, is the wrong way to go.

Mr. David Drew (Stroud) (Lab/Co-op): Can the Minister assure us that the Governor of the Bank of England is also bound-in to those statements?

Ian Pearson: My hon. Friend may have heard some earlier exchanges about the Governor and his views on cutting the fiscal deficit. We are all agreed—the Governor and all political parties—about the need to cut the deficit. The big debate between us is on how quickly to do it. The Conservatives would place the recovery at risk by acting too soon.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the Minister, but he places me in a difficulty. On Third Reading, he should really be concentrating on what is in the Bill. If he talks about what might have been in the Bill, it makes it difficult for me to resist counter-arguments that would almost certainly be out of order.

Ian Pearson: I will return directly to the Bill, Mr. Deputy Speaker.

[Ian Pearson]

Our judgment is that it is better to engage in the necessary fiscal tightening from 2011-12 onwards, when all the predictions are that the economy is likely to be growing far more and we will be better able to make those necessary, difficult decisions. However, having said that, our fiscal consolidation plan extends from 2009-10 right through to 2015-16.

Ms Sally Keeble (Northampton, North) (Lab): What if the Government were to start fiscal tightening earlier? When—roughly—would redundancy notices have to start going out to public sector workers to get savings in the coming financial year?

Ian Pearson: I do not particularly want to speculate on that, other than to say that it is difficult to take action now that will produce meaningful results in 2010-11, and I have not seen proposals of any significant detail from the Conservatives that would deliver what they say they want.

There is a clear commitment in the Bill to a fiscal consolidation plan that will halve public sector borrowing as a share of gross domestic product over four years from its forecast peak in 2009-10. As we have debated, we are setting a target in secondary legislation for borrowing to be 5.5 per cent. of GDP or less in 2013-14. The plan also commits us to reducing borrowing as a share of GDP in each and every year from 2009-10 to 2015-16 and it ensures that public sector net debt is falling as a share of GDP in 2015-16. This is the sharpest reduction in the budget deficit for any G7 country, but it is not unreasonable. The average pace of consolidation over the period is forecast to be comparable with the speed at which the deficit was reduced during the period of consolidation in the 1990s.

The framework that we propose is flexible, as I explained in Committee. The key point to recognise is that as growth picks up we have to ensure that we have sound public finances. That is essential for economic stability for the long-term health of our economy. We all know that; the debate has been about the pace at which we achieve that and the point of having legislation on that issue. The point of legislation is to give confidence to the public and the markets that we are committed to taking these actions.

Actions have already been announced, as part of the PBR 2008, the Budget 2009 and the PBR 2009. Further actions will undoubtedly be necessary. We are building on principles in the code for fiscal stability, the revised version of which was published yesterday, and we discussed those principles in Committee. The building of the fiscal framework on top of those principles—enhancing it through this Bill—will support the task of ensuring that we have sound public finances for the long term. Parliament will be given a new role to hold Government to account, and that is important and the right thing to do. I commend the Bill to the House.

6.42 pm

Mr. Gauke: It has been striking, in the brief course of this Bill, just how embarrassed the Labour party and the Government are about it. On Second Reading, we did not have a single contribution from a Labour Back Bencher in support of the Bill. The explanation given by the Exchequer Secretary, in the course of her winding-up speech, was that perhaps those who wanted to make a contribution were not able to do so because of the bad weather. Well, the weather is fine today and, despite the best efforts of the Government Whips, we have had one contribution from a Labour Back Bencher that could be said to be mildly supportive. It was from the hon. Member for South Derbyshire (Mr. Todd), although his argument was that the Bill gave us an opportunity to debate the matter and he did not expect it to become legislation in any event. He did not sound unduly unhappy about that state of affairs.

Even on Second Reading it was clear that the Chancellor of the Exchequer did not have his heart in proposing the Bill. He explained that if there was a major recession the terms of the Bill would have to be ignored anyway. Even by his standards, he had the lugubrious and weary tone of someone who did not really want to be there, and his body language was almost enough to say, "That's another fine mess you've got me into, Gordon." Since then, the Chancellor has had one of his periodic bouts of assertiveness and has started giving lengthy newspaper interviews about cuts in public spending, although it is noticeable that he has stopped talking about this Bill. Even the Chancellor does not take it seriously enough, or believe that the public will take it seriously enough, to be bothered to advocate its merits.

We have not had enough time to debate the matter. The Minister said that there had been sufficient time, but I am not sure how many Bills there have been on which consideration in Committee has not got beyond clause 1, which is what has happened on this occasion. I suspect that the Lords will not have an opportunity either to scrutinise the Bill sufficiently. Unlike with most Bills, there has not been an opportunity for evidence sessions to hear what the experts say. Given that this Bill is all about creating the right impression, one would have thought that that would have been of some use.

It is not surprising, however, that we have been denied the opportunity to hear what the experts have to say, given that practically every public comment on the Bill has dismissed it. I have quoted at length already various economist and business leaders. One person whom I have not quoted, however, is Lord Turnbull, former Cabinet Secretary and permanent secretary to the Treasury, who last week wrote in the *Financial Times* that

> "an external constraint is needed... It should not take the form of a statutory limit on borrowing, as the present government proposes. Remember the fate of the US Gramm-Rudman act and the European Union's stability and growth pact...More promising is the proposal for an office of budget responsibility...Its purpose should be to provide authoritative judgments and commentary that ministers ignore at their peril—in other words, to raise the political cost of bad policy."

There is a credibility gap that needs to be filled.

The Government are right to identify the need to provide reassurance to the bond market and the public as a whole. It is right that we try to improve parliamentary accountability in public finances; that we give Members proper information to hold a Chancellor to account; that we put pressure on any Government to meet their fiscal objectives; that the tools to provide internal Government discipline and ensure fiscal responsibility are improved; and that we try to do something to enhance credibility with the bond markets to ensure that interest rates can be kept low for as long as possible. However, the Bill does not do that. An office of budget responsibility would do that.

Mr. Pelling: That is an excellent idea. Could it not be taken further to improve Parliament itself by having that operation within Parliament—a bit like with the budget office in Congress?

Mr. Gauke: That is a helpful contribution. I am sure that you, Mr. Deputy Speaker, would not want me to be overly diverted on to the governance of such an office of budget responsibility. Clearly, however, accountability to Parliament is important, and I have no doubt that such an office would enhance the role of the Treasury Committee and Parliament's ability to scrutinise what the Government are doing.

The Bill represents displacement activity. When the Treasury should be tackling our deficit, it is forced to waste its time bringing in this meaningless Bill, because the Prime Minister will not face up to the consequences of what he has done to the public finances. If we want credible finances, this Bill is not the answer and this Government are not the answer. Only a new Government can give this country fiscal credibility. We simply cannot go on like this. It is time for a change.

6.49 pm

Mr. Jeremy Browne: Traditionally, at this point in the Bill process, we all thank the Clerks and the others who have contributed so much to our deliberations over many weeks, but as we have not had any meaningful deliberations, it is difficult to thank them to the extent that normally I would. I have hardly got to know them or, for that matter, the Minister any better than I did. It was the most cursory examination of a most pathetic Bill. The Minister says that we have had a chance to look at the Bill in detail, but we got only to the end of clause 1. Admittedly the Bill has only six clauses, but if the entire detailed scrutiny process gets bogged down in clause 1, it is hard to argue that we have had the opportunity that the Minister claims we have.

Leaving that to one side, it is fair to argue that we do not need to scrutinise the Bill for very long because it is so pathetic and because it is such an insult to the House to introduce it in this form, as is the idea that the Government have fiscal responsibility merely because they proclaim in an Act of Parliament that they possess it, even though they have no evidence to support that assertion. Indeed, that is such a laughable claim that very few Labour MPs have been able to bring themselves to come to the House and show any enthusiasm for the Bill at all, which is extraordinary when we consider what the Government are proposing.

Let us suspend our judgment for a moment and imagine the Labour party winning the next general election. The Government are proposing that all those Labour MPs who are returned would march through the Lobby, month after month for the duration of the next Parliament, and cut about £100 billion off public spending, even if we went into recession again.

Let us imagine what would happen if we went into another recession in, for the sake of argument, 2013 or 2014. At that point, one would normally expect the automatic stabilisers to kick in to help deal with all the people—the real victims of a second recession—who would be affected by rising unemployment, the closure of factories and offices around the country and all the other consequences of a recession that we can imagine. However, at precisely that point—the point at which one would expect the Government to expand public spending to try to cushion those blows, and the point at which Governments have historically always done just that—the Bill would dramatically cut public spending.

Labour MPs, who have just marched through the Lobby to vote on all those matters, are basically signing up to closing whole swathes of schools and hospitals, in a fire sale of public services, because they would need to keep within the strictures of the Bill. What an extraordinary position for Labour MPs to be in. Indeed, I am amazed that the Government could find any MPs to vote for the legislation at all. I know that some oppose it from the left, as it were, because they think that the Government are cutting the deficit with excessive zeal, but that is not essentially the point that I am making. The point that I am making is that the Government should not be putting Labour MPs in a straitjacket with this preposterous Bill, which takes no account of what might happen in the next six years and chains Labour MPs to a potentially devastating series of public spending cuts.

Kelvin Hopkins: Was it not the hon. Gentleman's party leader who talked about the need for "savage" cuts? I thought I heard that word.

Mr. Browne: I think it is necessary to cut the deficit—

Mr. Drew: Ah!

Mr. Browne: I have said that, and I do not know many people who think that £178 billion a year is not enough. Of course we need to cut the deficit. Less than two years ago the Government estimated that the deficit this year would be £38 billion; instead it is £178 billion. We are borrowing about £500 million extra every day. One quarter of our entire public expenditure is unfunded. Do I think that that is sustainable? Of course not. Of course we have to address the budget deficit. The question is whether we actually do something about it, by making concrete proposals and putting in place a series of credible measures, or whether, as an act of displacement we pass a law that says that in future we have to make some meaningful suggestions and actually do something, and imagine that, as a consequence, people will be reassured.

John Reid (Airdrie and Shotts) (Lab): That is not the question. The question, if the hon. Gentleman can set aside his displacement concern for his beloved Labour MPs, is what the Liberal MPs are going to do. How much will they cut the budget and over what period?

Mr. Browne: I do not wish to talk out of turn, but the right hon. Gentleman has not followed every ebb and flow of our deliberations this afternoon. We have said repeatedly that the deficit is unsustainable. We have talked about a series of tests that we think would need to be satisfied to cut it in an intelligent way and a way that was compatible with returning the economy to growth.

Ms Katy Clark *rose—*

Mr. Browne: Wait a second.

We have identified specific proposals that other parties have typically been unenthusiastic about initially, but which they have come to support as the full consequences have become apparent to them.

[Mr. Jeremy Browne]

We are supposed to be debating Third Reading and there are four specific objections to the Bill. First, it offers no flexibility. We have tried to improve that, but there is still no flexibility short of the Chancellor ripping up the legislation. Secondly, the provisions cannot be disregarded. There is no flexibility for different circumstances, and there is no formal mechanism for disregarding the Bill. It is all to be done on the whim of the Chancellor or a Minister. Thirdly, there is no accountability. What will happen if the Government do not meet the terms of their own legislation? The answer is nothing.

Finally, and most importantly, the Bill is not meant to achieve any of the things that I have mentioned. The Minister has acknowledged that it is meant to send a signal that the Labour Government are credible on deficit reduction, but no one believes that it sends that signal. There are only two reasons why anyone in the markets and in the country is feeling reassured about deficit reduction. The first is that Lord Mandelson has seized the wheel of the Government again, and he appears to have an understanding of these matters that the Prime Minister does not. The second is that people are expecting Labour to lose the general election. They are not as alarmed as they would otherwise be because, when they see this charade; they know that the group of people surrounding the Prime Minister who put together this insulting legislation will be governing the country for only a matter of weeks, and that we can then get on with the serious business of making proper progress.

6.56 pm

John McDonnell (Hayes and Harlington) (Lab): I have sat through the debates all afternoon; I left the Chamber for only a short time. I hope that the House will forgive me if I intervene at this point, but my amendment was not reached. I think that that has now happened for about three days running, but never mind.

The tragic irony for many of us is that there is a consensus across the main political parties that some of us do not share. That consensus is on the answer to the question: who is going to pay for this crisis? It appears from the consensual discussions that have taken place that the people who will pay for it are those who never contributed to it. It will not be the people who got the bonuses, or those who, through their reckless greed, brought the economy to a standstill and into crisis. Nor, to be frank, will it be the Government Ministers who, through their neglect and deregulation, allowed that to happen. As a result of this Bill, it will be ordinary working people who will lose their jobs.

The level of cuts described in the *Financial Times* interview yesterday involved a 17 per cent. cut across the board for Departments other than those covering health, schools and policing. On average, we can expect a 10 per cent. cut in jobs, which means 500,000 civil servants. The tragedy is that, in the very month in which the Government are announcing those cuts through this legislation, they are also bringing forward proposals to scrap the civil service compensation scheme, so the redundancy scheme will go as well. Large numbers of people will lose their jobs as a result of this economic crisis, which was not of their making. They will also lose the redundancy entitlements that they had been expecting and to which they signed up when they took their jobs in the public service.

In addition, our communities will now be at risk of losing some of their essential services. We have already seen announcements in London this week about possible hospital closures. There was a lobby of Parliament today by Land Registry workers, 1,700 of whom are to be sacked, and 1,500 jobs are to go at Network Rail, which will put public safety at risk. This is all because there is consensus in this House that ordinary working-class people will pay for this crisis.

Some of us think that there is an alternative. Yes, it would involve cutting some public services, but it is also about scrapping Trident and ID cards, and about getting rid of the waste of resources involved in privatisation and getting rid of all the consultants, on whom we spend hundreds of millions: £400 million alone was spent on the private finance initiative on the London underground. It is also about re-introducing a fair taxation system that would tackle all the avoidance and evasion and ensure that those people who have made such profits through their exploitation of the public services that have been privatised actually pay their way in our economy. Why are we so hidebound in trying to resolve this economic crisis within the four-year time scale that the Government have set for us?

What we are asking for now is a planned economy—no longer a casino economy. We need an economy that serves the needs of our people, rather than the current rush towards cuts, further privatisations and towards the creation of an economy that will enable the casino wheels to start spinning again. That is the debate that we should have had today, but instead we have had a surreal debate about a meaningless piece of legislation that will have no effect in the real world in terms of reassuring the markets in the long term, but will have a real effect in terms of cuts in public—

7 pm

Debate interrupted (Programme Order, 10 January).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E), That the Bill be now read the Third time.

The House divided: Ayes 265, Noes 197.

Division No. 53] **[7 pm**

AYES

Ainger, Nick	Bell, Sir Stuart
Ainsworth, rh Mr. Bob	Benn, rh Hilary
Alexander, rh Mr. Douglas	Benton, Mr. Joe
Allen, Mr. Graham	Berry, Roger
Anderson, Mr. David	Betts, Mr. Clive
Anderson, Janet	Blackman, Liz
Austin, Mr. Ian	Blackman-Woods, Dr. Roberta
Austin, John	Blears, rh Hazel
Bailey, Mr. Adrian	Blizzard, Mr. Bob
Bain, Mr. William	Blunkett, rh Mr. David
Balls, rh Ed	Borrow, Mr. David S.
Banks, Gordon	Bradshaw, rh Mr. Ben
Barlow, Ms Celia	Brennan, Kevin
Barron, rh Mr. Kevin	Brown, rh Mr. Nicholas
Battle, rh John	Brown, Mr. Russell
Bayley, Hugh	Browne, rh Des
Beckett, rh Margaret	Bryant, Chris
Begg, Miss Anne	Buck, Ms Karen

Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Rammell, Bill
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Helen Jones and Lyn Brown

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David

Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Durrine, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howell, John
Hunter, Mark
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Williams, Hywel
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Bill Wiggin and
Mr. Stephen Crabb

Question accordingly agreed to.
Bill read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, I shall put motions 3, 4, 5 and 6 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Charities

That the draft Charities Act 2006 (Changes in Exempt Charities) Order 2009, which was laid before this House on 18 November, be approved.

That the draft Charities Act 2006 (Principal Regulators of Exempt Charities) Regulations 2009, which were laid before this House on 18 November, be approved.

Fees and Charges

That the draft Consumer Credit Act 1974 (Fees) Order 2010, which was laid before this House on 1 December, be approved.

Constitutional Law

That the draft National Assembly for Wales (Legislative Competence) (Environment) Order 2010, which was laid before this House on 2 December, be approved.—*(Mr. Watts.)*

Question agreed to.

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Thursday 21 January, notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means may be entered upon at any hour, and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Mr. Watts.)*

Hon. Members: Object.

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Motion made,

That, for the purposes of its approval under section 5 of the European Communities (Amendment) Act 1993, the Government's assessment as set out in the Pre-Budget Report 2009 shall be treated as if it were an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees).—*(Mr. Watts.)*

Hon. Members: Object.

PETITION

Badman Report (Sherwood)

7.13 pm

Paddy Tipping (Sherwood) (Lab): I wish to present a petition on behalf of 20 of my constituents in support of home educators and against the proposals of the Badman report. The petition follows in a long line of similar petitions. I do not intend to read it out, but I hope that Ministers will look at it and consider its content very carefully.

Following is the full text of the petition:

[The Petition of persons resident in the Sherwood parliamentary constituency,

Declares that they are concerned about the recommendations of the Badman Report, which suggests closer monitoring of home educators, including a compulsory annual registration scheme and right of access to people's homes for local authority officials; further declares that the Petitioners believe the recommendations are based on a review that was extremely rushed, failed to give due consideration to the evidence, failed to ensure that the data it collected were sufficiently robust, and failed to take proper account of the existing legislative framework.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Children, Schools and Families either not to bring forward, or to withdraw, proposed legislative measures providing for tighter registration and monitoring of children educated at home in the absence of a thorough independent inquiry into the condition and future of elective home education in England; but instead to take the steps necessary to ensure that the existing Elective Home Education Guidelines for Local Authorities are properly implemented, learning from current best practice, in all local authorities in England.

And the Petitioners remain, etc.]

[P000714]

Ex Parte Applications (Family Courts)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Watts.)*

7.14 pm

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): I am very pleased to be able to bring this somewhat esoteric subject of ex parte applications in the family courts for consideration in the House. Ex parte applications are now known as without notice applications, and, effectively, only one side of the argument is presented in the courts when a particular type of order is sought from the courts. I believe that to be particularly acute in the family courts at the moment and would pray in aid an article written by two district court judges, published in the *Law Society Gazette* of 22 May 2008. That date is getting on for two years ago, so it is not as if it is a new problem—it is a long-standing one. The two judges were Judges Stephenson and Gerlis, and the article was entitled, "Abusing the system". I believe that this is an abuse of the system.

I was prompted to raise this subject, initially, for two unrelated reasons. First, a celebrated local lawyer in Liverpool, Mr. Rex Makin, had written his usual diatribe in the local newspaper. On that occasion, not for the first time, he was attacking members of the legal profession. He complained, with great cause, about the increasing and frivolous use of ex parte, or without notice, applications before our courts. That also brought to mind a case with which I was involved, to which I shall refer, which I have taken up with the Minister in the past. I would obviously not wish to identify the people involved, but it is a good example of what happens. I shall refer to them as family A—Mr. and Mrs. A—to give a flavour not only of what happens when this abuse of the system takes place but of what happens subsequently, when the layman or woman, perhaps somebody like myself, tries to find out what the process is.

Some time ago, Mr. A left the family home late one evening and took the only child of the marriage with him. Obviously, that is a sad incident that repeats itself in many families and homes across the country when there is a breakdown or potential breakdown in a relationship. The highly distressed mother of the child, quite naturally, sought legal advice the following day. Critically, she had to pay in advance—let us be fair, people get nothing for free from the lawyers—for the solicitor to write a letter to the estranged husband at his parents' home, where he had gone with their child.

That same Friday afternoon, unbeknown to the wife and mother, her husband had filed several applications for orders through his solicitor. It has become commonplace for this to occur up and down the country. The applications were for a prohibited steps order, a residence order and an occupation order. The net effect of those orders, if they had been granted, would have been that the mother would have been on the street and isolated from her only child. That is the fact of the matter, but for whatever reason—I choose my words carefully—the judge saw fit only to give a prohibited steps order. It was put in place for one week until there was a full hearing of Mr. A's application. That was done ex parte—that is, Mrs. A had no idea that these decisions about her only child were being made.

[Mr. Peter Kilfoyle]

A week might not seem a very long time from the perspective of a place like this, but to the mother of a five-month-old baby, it is a cruelty beyond measure, because a week seems like an eternity. When such orders are granted without her knowledge, she is left in a vacuum of ignorance, at least for a while. When she was informed, it was by a process server, late that evening. Anybody with any experience of the law in the towns and cities of this country knows that a person's ability to obtain legal advice over the weekend in one of our provincial cities, unless that person has a regular solicitor and lots of money behind them, is virtually impossible. She was left in total ignorance about what could be done.

I was very interested when I saw the forms. The form used for an occupation order has a box to be filled in if an applicant—Mr. A in this instance—wishes to have the application heard ex parte, and Mr. A, or his solicitor, had ticked this box. The box has a rubric, saying:

"The reasons relied on for an application being heard without notice must be stated in the statement in support."

I therefore went through both order applications. Form C1 for the prohibited steps and residence orders has a section 13 in which was printed a series of unsubstantiated allegations about Mrs. A's mental health. These were repeated in an affidavit accompanying the occupation order application. Nowhere, however, was there any written argument as to why the application should be heard, as a matter of urgency, ex parte.

I thought to myself, "Well, perhaps that argument was put orally." That is not unknown; when we look at the literature, we find it is sometimes done over the telephone—it is done by solicitors under the old pals principle within the legal fraternity, but in my view that denies a basic principle of justice. In the case under discussion, however, if that argument was put orally to the judge, there is no record of it. I found that extraordinary, and I was not alone: two judges have since remarked on that fact in subsequent hearings of the family A case. After all, there are only three reasons why a judge might rule in favour of an ex parte hearing: if there is a risk of harm to the applicant or child from the respondent; if otherwise the applicant would be deterred from pursuing the case; and if otherwise the respondent—Mrs. A—would simply evade the court proceedings. She clearly would not do that, however, as she did not know anything about them.

I know the actors in this drama, and it would take a persuasive case to convince anyone that Mr. A—a 6 feet 2 inches tall, 18 stone, rugby-playing man—would either be intimidated or put off from pursuing the case by anything his wife might say or do. I went through the statements, and the only reference I could find to anything that might be taken as even remotely hostile or aggressive was his claim that his wife was

"abusive and shouting, and waving her arms around...goading me into hitting her".

For that reason, he was somehow deemed worthy of getting an order in his favour at this ex parte hearing.

The criteria for ex parte hearings were, in general, designed to protect abused women, rather than abusive men, but the judge in this case clearly did not think so—or was convinced by Mr. A's solicitor. We will never know for sure about that, however, because there is no record. I tried to find the record of what transpired in this case. I looked at the document bundle, and there was nothing in that, so I tried, on behalf of Mrs. A, to get this phantom record via Her Majesty's Courts Service. Its flat response to my inquiry was that Mr. A's affidavit

"explains why Mr. A felt the need to apply for an urgent order".

That is wholly untrue, and wholly unhelpful. That organisation has insisted to me that it followed the administrative process, which is its role, and that the decision was down to the judge. I am very well aware of that fact, but it can give me no rationale as to why the case was heard ex parte. There must be a record of this somewhere, and I would love to see it.

I was advised to contact Sir Mark Potter, president of the family court, to whom I expressed my misgivings in writing. He told me there were three means of redress in these circumstances. One was an appeal, and another was a complaint for misconduct by the judge other than a wrong decision. How can we complain, however? We have no idea what his decision was, so what is there to complain about? Also, how can anyone appeal when they do not even know that the action has taken place until halfway through the period of time in which the child is taken away—from the mother in this case? Even if one wanted to appeal, one cannot appeal against a wrong decision.

I understand that in 2006-07—I only have the figures for that year—two complaints were upheld out of the 938 complaints made against judges. That tells us how much accountability m'learned friends in that high office have. It seems that judges have power without responsibility to anybody but themselves and one another.

I saw no light down that tunnel, so I took my case to the Office for Judicial Complaints, which said that if the judge had used

"profane, sexist or racist language",

he had a problem, but a judicial decision could be challenged only by appeal to a higher court. I understand that, of course. No bureaucracy is going to set aside the decision of a court, but what chance has a poor woman, especially a stranger to the legal system? How would she know where to begin to have a decision reversed, when she is already in emotional turmoil because of what has happened? No doubt she could have a judge disciplined for being politically incorrect, but where would she get the money to obtain the advice to turn over a wrong decision on a weekend in the provinces?

My next port of call was the Judicial Studies Board, the fourth agency approached in my search for enlightenment. I wanted to know what guidelines related to ex parte applications. I was told:

"You are right in thinking that the law and procedural rules will place certain obligations and requirements upon applicants"—

in the case of ex parte hearings. But when I pursued that, I was told:

"However, these are not set by the judiciary and hence you will need to direct your enquiry elsewhere."

Where that is supposed to be, goodness only knows. There is no hint where that might be; there is simply some platitudinous advice on trusting solicitors and counsel. I would as soon entrust myself to a shoal of piranha as entrust myself to the legal fraternity on these matters. In the experience of many of us, they are thoroughly self-serving people.

The Judicial Studies Board did concede, however, that the courts

"require evidence to be provided, to support the reasons for the application, evidence in support of the application, and a full and frank disclosure of all relevant matters which are required for the Court to be able to assess the merits of the case."

Fine words—I could not have put it better myself. Yet back in the real world, what is happening, I am sorry to say, is that solicitors and judges on a Friday afternoon around the country, on a regular basis, are denying justice to men and women. In the case that I described, I clearly believe that the woman is in the right and the man is in the wrong, but it does not affect just men as opposed to women, or vice versa. It depends who gets in first.

It is a sine qua non of justice that people have a right to be heard, other than in the most extreme circumstances. It has become a matter of habit that people are denied the right to be heard by the frivolous use, or abuse, of the system in order to get ex parte hearings. If there are sound reasons for an ex parte hearing in line with section 45 of the Family Law Act 1996, so be it. We all recognise that there are extreme circumstances in which an ex parte hearing is right, proper and unavoidable. For example, if somebody has disappeared, gone abroad or cannot be traced, what alternative is there to an ex parte hearing? But in the present case it is an abuse.

It cannot be right that there should be an old pals act between lawyer and judge, casually agreed late on a Friday afternoon when they are all anxious to get away, to suit the convenience of everyone involved except for the bewildered, shocked and sometimes traumatised respondent. That cannot be right. I know that the Minister is fair-minded. I urge her to look urgently into how we can prevent this abuse. It has gone on far too long, it is happening far too often, and it does not serve the reputation of anyone involved if it is allowed to continue.

7.29 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I congratulate my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) on securing this debate on a subject about which he is clearly passionate. It affects people at a most vulnerable time in their lives, and I know how strongly he feels about the way in which private disputes concerning children are resolved in our court system.

The way in which ex parte relief is obtained in family proceedings varies widely. I am not sure that that is any comfort to him, and I would like to see more consistency, too, but safeguards usually minimise the drastic effects that such orders can have. In particular, in all ex parte applications it is likely that article 8 of the European convention on human rights, on the right to respectful private and family life, and article 6, on the right to a fair hearing, will be engaged for many if not all the parties—and the courts have to pay full regard to the parties' convention rights.

For a few minutes I shall talk in general terms about ex parte applications, and then I shall consider how we might move the issue forward.

Mr. Andrew Pelling (Croydon, Central) (Ind): I declare an interest as a user of the family justice system. Is it possible for the Minister to explain how both parties' human rights are observed when ex parte is used so frequently?

Bridget Prentice: I shall come on to that point in some detail. My hon. Friend gave some examples of occasions when ex parte applications have to be heard. Sometimes it is because the individual cannot be found, but more often in domestic violence cases, it is because an abused woman needs the protection of the courts speedily. Generally, applications are heard with neither party in attendance, although that situation would be exceptional in private law applications, especially those in respect of children. Under the Children Act 1989, the court is required to make the welfare of the child its paramount consideration whenever it determines a question about the upbringing of a child. Normally, therefore, a court will have to weigh up the evidence of both parents; sometimes, to assist the court in making that decision, it may receive a report from the Children and Family Court Advisory and Support Service.

The court should make an order only if it considers that to be better for the child than not making an order at all. Unfortunately, it is not possible to identify from court statistics the number of private law applications that are heard ex parte under the 1989 Act, but the courts take the view that only in exceptional circumstances should orders be made without all parties being present. However, in answer to one of my hon. Friend's queries, I should say that there are occasions when the court is presented with a situation in which an immediate decision must be made to secure the safety and security of the child. But there would need to be a compelling reason on welfare grounds to change a child's residence on an ex parte basis. That situation may arise if there are unexplained injuries that the child claims have been inflicted by the partner of the parent with whom the child lives. The court would then have to make an immediate decision to safeguard the child's welfare.

Generally, the court directs that any order that it makes will be effective only for a short time, and that all parties should then attend the full hearing—usually after seven or 14 days. However, I accept my hon. Friend's point that for a mother of a five-month-old child, seven days is a very long time. It is a very long time in the child's life, too, and that should be taken into account as well. Alternatively, the court might make the order subject to granting other parties the power to apply to vary the order at short notice.

The court rules require the applicant to serve the section 8 order application within 48 hours of making the order. They also provide that the application is to be filed when the application is made, unless the hearing is by telephone, in which case the deadline is 24 hours after the application is made.

Courts are aware that making a decision without hearing from both parties carries considerable risks, so they should take steps to ensure that the order can be reviewed at the earliest stage possible. I was interested in what my hon. Friend said about the legal representation in the case that he cited. There is also a high duty owed to the court by the advocates making the application without notice. They have to make the fullest disclosure of all the material facts, including any defence that they have reason to anticipate may be advanced. Where one of the parties is not able to attend the court, the court will have to make the order subject to freedom to apply to vary or revoke the order should the individual who is unable to attend subsequently be able to do so.

[Bridget Prentice]

Let me turn to how abuse of process might be avoided. I have to say to my hon. Friend that there are no general fixed rules that have to be applied. Justice Munby said in a case in 2001:

"The circumstances in which ex parte relief is obtained in the Family Division vary very widely."

He goes on to set out a form of guidance, which he says is not a "set of inflexible rules" because

"Circumstances alter cases and, in the final analysis, every case must be considered on its own facts".

However, the general features that can be determined are that there must be compelling reasons why notice cannot be given. For example, where the case involves children, a compelling reason might be that the child's welfare would be compromised if a parent were alerted in advance of the application. There must be a genuine emergency. Lack of information itself—this is key in my hon. Friend's case—does not justify an emergency. The applicant must give candid and frank disclosure of all the circumstances known to them and, as I said, the advocates are under a high duty to the court. Justice Munby said:

"Unparticularised generalities will not suffice"

for an ex parte application. Those are some of the issues that need to be in the minds of the courts when they are hearing ex parte applications.

I appreciate my hon. Friend's concern about the position facing people affected by the orders who feel that the courts have not treated them fairly, and I hope that I have given some indication—

Mr. Pelling: Will the Minister give way?

Bridget Prentice: I will give way to the hon. Gentleman, but I am conscious of the time.

Mr. Pelling: I will be very brief. There was a most welcome written statement today from the Ministry of Justice and the Department for Children, Schools and Families about the family justice review. Would that review be able to consider the important concern that has been raised by the hon. Gentleman?

Bridget Prentice: I will have to think about whether it would be appropriate for the review to do that. I promise the hon. Gentleman and my hon. Friend that I will look into that.

As my hon. Friend knows, I was in touch with the president of the family division about this case when he raised it with me before. At that time, the president felt that no further guidance was needed. I will go back to him and ask him to look at it in more detail. I know that he expressed some sympathy with the situation that my hon. Friend put to him.

There is considerable judicial opinion that ex parte applications should be used only in exceptional circumstances and that they should normally be heard on notice. I will ask officials to see whether they can find out whether there is a systematic exercise going on whereby some advocates are using Friday afternoons to make an application, in the full knowledge that it makes it very difficult for the respondent to have any opportunity to make a response. I will also raise the matter with the president of the family division in case further guidance is needed on that issue, as well as in general. I hope that in doing that, I will give my hon. Friend some succour in the idea that I am taking on board the difficult circumstances that he has outlined.

I hope that the situation in which my hon. Friend's constituents found themselves is unusual, but if it is not, I assure him that the Ministry of Justice will make all possible representations to ensure that it does not continue to arise, and that ex parte applications are heard as they are meant to be heard. We will ensure that applicants and respondents have the opportunity to make their case and that children are not removed from a family home or a parent with care without proper consideration and investigation of the circumstances surrounding them.

Question put and agreed to.

7.40 pm

House adjourned.

Deferred Division

ADJOURNMENT (FEBRUARY)

That this House, at its rising on Wednesday 10 February 2010, do adjourn till Monday 22 February 2010.

The House divided: Ayes 248, Noes 194.

Division No. 48]

AYES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
Gerrard, Mr. Neil
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Ingram, rh Mr. Adam
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McFadden, rh Mr. Pat
McFall, rh John
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Merron, Gillian
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Prentice, Bridget
Primarolo, rh Dawn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Atkinson, Mr. Peter
Baker, Norman
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan

Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hermon, Lady
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mason, John
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Smith, Chloe
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Timpson, Mr. Edward
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Question accordingly agreed to.

House of Commons

Thursday 21 January 2010

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South-West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

General Election Counts

1. **Mr. David Amess** (Southend, West) (Con): Whether the Electoral Commission has had discussions with (a) media organisations and (b) political parties on the timing of the election counts for the general election. [312126]

Mr. Gary Streeter (South-West Devon): The Electoral Commission informs me that it had discussions with the BBC about the timing of election counts in September 2009. The commission further informs me that the timing of election counts was discussed with representatives of the political parties who attended the October 2009 meeting of the parliamentary parties panel.

Mr. Amess: Recalling my re-election to Parliament in 1992, when the count was completed within an hour of the close of poll—I am advised that the result indicated that there would be the re-election of a Conservative Government, and financial stability—does my hon. Friend agree that we should continue with the tradition of counting immediately after the close of poll, in order to bring financial stability and reduce the possibility of electoral fraud?

Mr. Streeter: That is, of course, my personal opinion, but as the House knows full well, whether to count votes on Thursday or Friday is a matter for individual returning officers; that has been our law for more than 100 years. However, the law does require returning officers to count votes as soon as is practicable after the election. The Electoral Commission website indicates which returning officers have so far decided to count on the Friday or are undecided, and I encourage hon. Members in those areas to enter into a dialogue with the returning officer to discuss whether their decision meets that criterion.

Mr. Denis MacShane (Rotherham) (Lab): We all welcomed your statement on this issue, Mr. Speaker, and I completely agree with what has been said from the Opposition Benches—but will not the real story of election night be the fact that possibly up to 50 seats will have been bought by Lord Ashcroft's money, and what—

Mr. Speaker: Order. The right hon. Gentleman knows that he is far exceeding the boundaries of the question; it was a good try, but I am afraid it did not work.

Mr. David Heath (Somerton and Frome) (LD): As the hon. Member for South-West Devon (Mr. Streeter) said, the key words are as far as "is practicable". There are constituencies where this is not practicable for geographical reasons, and sometimes simply because of historical practice. What an individual returning officer should not do, however, is delay the count simply because he thinks that verifying or counting postal votes might be a little bit difficult. That is the message the Electoral Commission needs to send out to returning officers.

Mr. Streeter: The hon. Gentleman is right. Throughout our history, several seats at every general election have counted on a Friday; I am sure colleagues on the Opposition Benches will be interested to know that in 1979 121 seats counted on a Friday. The hon. Gentleman makes an important point, and the Electoral Commission has encouraged returning officers to be clear about why they are making this decision, and be able to justify it to their local community.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Wireless Audio Equipment

2. **Robert Key** (Salisbury) (Con): What steps the Church Commissioners are taking to assist cathedrals and parish churches to retune or replace wireless audio equipment which operates on frequencies within Channel 69 following the clearance of that channel by Ofcom. [312127]

The Second Church Estates Commissioner (Sir Stuart Bell): With your permission, Mr. Speaker, I would like to refer to David Taylor. As you know, he was an assiduous attender at our Question Time. He put pertinent and important questions before the House and assisted our Ecclesiastical Committee, and he will be greatly missed. [HON. MEMBERS: "Hear, hear."]

I can tell the hon. Member for Salisbury (Robert Key) that the Church of England has joined an industry-led campaign to press the Government for compensation for affected groups. We are encouraging churches to contact their installation companies for advice and to seek a compensation package.

Robert Key: The Government are making hundreds of millions of pounds out of the spectrum auctions, and as the hon. Gentleman has said, some compensation has been promised. This affects not only churches, cathedrals and voluntary organisations, but organisations right across the creative arts. Should not any compensation include not only the residual value of equipment but replacement value, as churches have been forced off those frequencies by the Government?

Sir Stuart Bell: I am grateful to the hon. Gentleman for raising this issue. The compensation package takes into account the full cost of the significant disruption, particularly to larger churches that use a number of wireless microphones. I estimate that about one in eight churches will need to retune or replace their equipment, at an average cost of about £500. The Government agree with Ofcom that compensation is due, but the level, and eligibility, still need to be agreed.

Peter Luff (Mid-Worcestershire) (Con): May I tell the hon. Gentleman how much I welcomed support from the Church of England this week for early-day motion 323, in my name and those of 131 other Members? I urge him to use all the resources of the Church Commissioners to put the maximum possible pressure on the Treasury and the Secretary of State for Business, Innovation and Skills to ensure that justice is done in this very important matter.

Sir Stuart Bell: I am grateful to the hon. Gentleman, and I have read his early-day motion 323 on the Save our Sound UK campaign. I agree with his point. The Government recognise the importance of churches in our communities, and I am sure they will recognise that this is an unfortunate anomaly, as they did in relation to our unfair surface water charges last year. I urged the Government to respond robustly then, and I do so now, with the support of the House.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South-West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

General Election Counts

3. **Mr. Peter Bone** (Wellingborough) (Con): What estimate the Electoral Commission has made of the number of general election counts which will commence on polling day. [312128]

6. **Mr. Desmond Swayne** (New Forest, West) (Con): What estimate the Electoral Commission has made of the number of general election counts which will commence on polling day. [312131]

Mr. Gary Streeter (South-West Devon): The Electoral Commission informs me that it has asked all returning officers to provide information about their current plans for commencing the count at the next UK parliamentary general election. This information has been made available in the House of Commons Library. In summary, as of 7 January returning officers for 586 out of the 650 constituencies had provided information. Of those, returning officers in 330 constituencies plan to start counting on polling day, a further 17 will commence counting on polling day unless the general election is combined with local authority elections, 52 have decided to count on the Friday and 187 were still undecided.

Mr. Bone: Unfortunately, one of the constituencies that plans to count on Friday is Wellingborough. Could my hon. Friend recommend to the Speaker's Committee that the law be changed, so that counts have to be made on a Thursday unless there are exceptional circumstances and tin-pot, upstart little town clerks cannot change things?

Mr. Streeter: I wish my hon. Friend would say what he really feels! When the Electoral Commission was set up the House did not give it the power to direct returning officers, and of course, if the law is to be changed that is a matter for this House, not for the Electoral Commission. As we know, returning officers are usually the chief executives of local authorities, and Members of Parliament and councillors up and down the land are usually not without influence in working alongside these hard-working and respectable individuals.

Mr. Swayne: The New Forest constituencies will be doing the right thing, but I hope that the only present occupant of the Treasury Bench, the duty Whip, will have noted the words of my hon. Friend the Member for Wellingborough (Mr. Bone). We all appear to be in agreement that either we are going to do something about this or we are not, and we are just going to hope. Perhaps someone on the Treasury Bench could give some instruction as to the meaning of the law: what does "as soon as is practicable" actually mean?

Mr. Streeter: My hon. Friend makes an extremely important point. It is to be hoped that the guidance that has been given from this House in recent days, including your own very powerful statement on this matter, Mr. Speaker, will influence the 187 returning officers who have not yet decided to take the view that counting on Thursday is the right thing to do. This is not a matter for the Electoral Commission.

Mr. Denis MacShane (Rotherham) *rose—*

Mr. Speaker: I shall give the right hon. Gentleman a second bite at the cherry, but I do not expect him to abuse the bite.

Mr. MacShane: My understanding is that if a question contains a reference to an organisation—*[Interruption.]* No, no, let me ask my question first, and Mr. Speaker may then rule me out of order. May I ask the hon. Member representing the Speaker's Committee on the Electoral Commission what conversations he has had with the Electoral Commission, not only on the counting of votes, which is so essential, but on the counting of the money that will be used to buy those votes?

Mr. Speaker: Order. I say to the hon. Member for South-West Devon (Mr. Streeter)—I think he can guess what I am going to say—that although he will not want to ask me for a ruling on this matter, I shall give him one anyway: he cannot be expected to answer that which is not part of the question. I think that we have dealt with the matter, and the right hon. Gentleman had a go. I call Mr. Andrew Mackay.

Mr. Andrew Mackay (Bracknell) (Con): I am obliged to you, Mr. Speaker, because I wish to return to the question. Does the hon. Member for South-West Devon (Mr. Streeter) agree that the real problem is that, as he has pointed out, most of the returning officers are the chief executives of councils? Understandably, their first priority is to keep costs down and offer good value to council tax payers, so they are choosing to count on Friday, whereas they had previously counted on Thursday.

We need an absolute instruction from this House that that should not happen, except in exceptional circumstances. Without such an instruction all too many seats will count on a Friday, which will be—

Mr. Speaker: Order. The right hon. Gentleman is an immensely experienced parliamentarian, so he will know that it causes problems for the *Hansard* writers if a Member is not facing the House.

Mr. Streeter: It is worth reiterating that returning officers are independent under the law of this land, and have been for 100 years and more. Of course the Electoral Commission can and does issue guidance to returning officers, but its primary concern is about accuracy and ensuring public confidence in the outcome of any count that is held.

Electoral Register (Britons Abroad)

4. **Mr. Philip Dunne** (Ludlow) (Con): What estimate the Electoral Commission has made of the number of Britons living abroad who are on the electoral register. [312129]

Mr. Streeter: The Electoral Commission informs me that although it has not made such an estimate itself, the Office for National Statistics collects and publishes annual electoral registration data. The most recent figures are for the electoral registers of 1 December 2008, and they show that there were 13,695 entries for overseas voters on UK electoral registers. The ONS is due to publish figures for the 1 December 2009 electoral registers next month.

Mr. Dunne: I am very grateful to my hon. Friend for giving us those figures, which appear at first sight to reflect a decline of some 2,000 since the previous year. Does he agree that this is a disgraceful performance, and what can he recommend that the Electoral Commission can do to give recommendations to any incoming Government to improve the ability of overseas expatriate citizens to participate in our national election?

Mr. Streeter: It is a matter for the Government and for this House whether the law on how people can register and vote from overseas is changed. The Electoral Commission is committed to increasing the number of eligible people who are registered to vote, and has recently conducted a campaign that resulted in nearly 7,400 overseas voter registration forms being downloaded from the commission's website. The commission plans to run further activity in advance of the general election targeting British citizens living abroad.

Simon Hughes (North Southwark and Bermondsey) (LD): We are grateful to the hon. Gentleman for those answers. First, will he encourage the Electoral Commission to continue to work and to do more, because there are huge numbers of people in all categories, including overseas voters, who are clearly eligible to vote but are not yet on the list? Will he suggest that colleagues from all parties might like an urgent meeting with the commission to discuss maximising activity, and therefore the number of people who are on the register, and therefore eligible to vote in the elections that we know will happen this spring?

Mr. Streeter: I am sure that the Electoral Commission is amenable to such a meeting. It plans to spend a further £189,500 targeting overseas voters in this financial year, and is committed to ensuring that the number of overseas voters who take part in our elections increases.

Mr. Denis MacShane (Rotherham) (Lab) *rose*—

Mr. Speaker: Order. I have to say to the right hon. Gentleman that it is a case of third time unlucky. He cannot expect me to help him out again. I call Mr. Hugh Bayley—*[Interruption.]* I have to say to the right hon. Member for Rotherham (Mr. MacShane) that the length of time for which he lived abroad is neither here nor there when it comes to the selection of who asks questions—*[Interruption.]* With great respect, the right hon. Gentleman will hear this. He had two opportunities and I am not obliged to offer him a third.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Fires and Fire Safety

5. **Hugh Bayley** (City of York) (Lab): How much the Church of England spent on (a) repairs necessary after fires and (b) fire safety measures in churches in the last five years. [312130]

The Second Church Estates Commissioner (Sir Stuart Bell): I am grateful for your protection, Mr. Speaker. This is a matter for individual churches and cathedrals, and the figures are not held centrally. I know, however, that many churches and cathedrals have undertaken work on fire prevention, detection and containment.

Hugh Bayley: After Christmas there was a fire in York minster's stone yard, where the cathedral's greatest window is being stored while it undergoes a £25 million restoration. The window was saved by firemen and minster staff, who carried it to safety. It is a work of art as important as the Sistine chapel ceiling. Will my hon. Friend ask the Church Commissioners to press the Government to protect such works of art from fire and other risks, just as they protect works of art in our national galleries and museums?

Sir Stuart Bell: I am grateful to my hon. Friend for raising this matter. Fortunately no people were harmed in the fire, and the panels of the incomparable great east window were saved. The Church welcomes the recommendation by the Public Accounts Committee that cathedrals should receive direct funding from the Government.

Michael Fabricant (Lichfield) (Con): The hon. Gentleman will be aware that for specialised properties, bodies such as the National Farmers Union have created their own insurance companies. Have the Church Commissioners given any thought, given the nature of churches, to the idea that there should perhaps be a central insurance company to insure more effectively against the risk of fire?

Sir Stuart Bell: I am grateful for the opportunity to reassure the hon. Gentleman. I can tell him that advice on managing the risk of fire is available from Church House, from dioceses and from the Ecclesiastical insurance group, which insures most Church of England churches.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South-West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

General Election Counts

8. **Mr. Andrew Turner** (Isle of Wight) (Con): What information the Electoral Commission holds on the number of election counts that are not planned to commence on the evening of polling day in the general election. [312134]

Mr. Gary Streeter (South-West Devon): The Electoral Commission informs me that it has asked all returning officers to provide information about their current plans for counting ballot papers at the next UK parliamentary general election. This information has been made available in the House of Commons Library. In summary, as of 7 January, returning officers for 586 out of 650 constituencies had provided information. Of these, 52 do not plan to count ballot papers on the evening of polling day at the general election. A further 17 have indicated that they may defer counting if the general election is combined with local authority elections, and 187 were still undecided.

Mr. Turner: I congratulate my hon. Friend. In 2001 the count in my constituency started at 10 o'clock at night and continued until after 5 o'clock in the morning. It was recommenced at noon the next day, and I did not get my result until well into the afternoon. I should point out that there was only one count. Is he aware that already the count may not be completed on election day, even without the extra day?

Mr. Streeter: My hon. Friend makes an interesting and important point. I am pleased to see that his constituency has decided to continue to count on polling day itself even though, as he said, that may take some time. As we all know, some returning officers have decided to count on Friday because of the extra time and people required to check postal votes taken by hand to polling stations on polling day.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Householders (Protection of Property)

11. **Mr. David Amess** (Southend, West) (Con): What discussions she has had with the Director of Public Prosecutions on the policy of the Crown Prosecution Service in charging householders who have used force in cases of burglary. [312116]

The Solicitor-General (Vera Baird): The Attorney-General and I have regular meetings with the DPP, at which we discuss a range of issues within the terms of the protocol between the Law Officers and the prosecution departments that was published in July 2009.

Mr. Amess: The Solicitor-General must be aware that hardly a week goes by without some sort of report of a victim of burglary bizarrely being prosecuted. There is certainly a feeling of great injustice in the country, so will she give clearer guidance to the CPS when it considers prosecution?

The Solicitor-General: I do not accept that hardly a week goes by, although obviously I am well aware of the cases that hit the headlines recently and some years ago. As a consequence of the earlier case in 2005, a joint statement was issued by the Association of Chief Police Officers and the CPS that made it very clear that a person is entitled to use force to resist a burglar. The current case has brought the matter forward again, but it has not really impacted on the very good advice contained in that statement.

A survey of prosecutions shows that in the 15 years between 1989 and 2004, only 11 people were charged with responding in any way violently to being burgled. As the hon. Gentleman says, such cases clearly occur more frequently than that, which suggests that the law is right overall, and deals with them sympathetically. In his judgment yesterday on the most recent case, the Lord Chief Justice said that it was not at all about a person defending himself after a burglary, as the burglary was long over before the violence that gave rise to the sentence took place.

Mr. David Drew (Stroud) (Lab/Co-op): Does my hon. and learned Friend accept my opinion that the law is right and that there must not be a change? Otherwise we would be putting property above life, and that is something that I hope our law will never accept.

The Solicitor-General: Certainly, an appeal against conviction in the current case was refused. There is no suggestion in the thorough judgment from the Lord Chief Justice that he considers there to be anything wrong with the law. The barrister who defended this family also defended Tony Martin, and he said on the radio this morning that he thought that the law was right. To avoid doubt, I emphasise that the law allows for what was referred to in the case as a "moment of unexpected anguish", when a person honestly and reasonably thinks that they are doing what is necessary. Members of the jury have to try to put themselves in that person's position, and evaluate how high their feelings would be. Even then, they must ask whether, taking all that emotion into account, the response was reasonable. I suspect that the law is pretty accurate, and that juries have every opportunity to give as much credit as they want to the incredibly tense situations that people can find themselves in.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Given that the courts have shown that they can defend householders and understand the situations that arise, will the Solicitor-General continue to resist those siren voices who want the law rewritten? We have had enough criminal justice legislation as it is.

The Solicitor-General: Some of the criminal justice legislation that has gone through the House has been extremely good. It has benefited victims of domestic violence and rape and improved conviction rates enormously, so one cannot sweep all sorts of criminal justice law up together and say that it is all a bad thing. However, I agree that we should resist any calls to change the law. That is simply not necessary, as I think that the courts deal with such cases quite properly.

Mr. David Winnick (Walsall, North) (Lab): Is it not absolute nonsense to suggest that the current law, which has been in existence for so long, is soft on burglars? The law is quite clear, as my hon. and learned Friend has said, and if one believes in the rule of law one should not try to change the existing position.

The Solicitor-General: Yes, I do agree. The case of Palmer, which essentially set out in common law the principles that are now in statute, has been working since 1971 with very little complaint. In the two cases that have given the most cause for concern, the courts have made it clear—in both instances—that the violence happened after the burglary was over, and we do not allow that. That is breaking the rule of law, itself; it is revenge, not self-defence.

Mr. Edward Garnier (Harborough) (Con): One aspect of the Hussain case that has escaped public attention is the way in which the Coroners and Justice Act 2009, and before that the Criminal Justice Act 2003, badly restricted the discretion of the sentencer. Judge Reddihough would have been more able to produce the sentence that the Court of Appeal produced yesterday had he not been hogtied by the Sentencing Guidelines Council, or the Sentencing Council. Will the Solicitor-General please discuss with her Government colleagues getting rid of the Sentencing Council, so that judges can sentence on the facts before them, rather than having to follow a template issued by other people elsewhere?

The Solicitor-General: There is no template, as the hon. and learned Gentleman well knows. The judiciary have a discretion and they rightly exercise it, because they, at first instance, are the people who see the dramatis personae before them, and who can make a proper assessment of the absolute detail and the nature of the person. Judges have plenty of discretion, and in the judgment that I have read, the trial judge made no suggestion that he found himself hogtied—and the Lord Chief Justice certainly did not, either.

Criminal Charges

12. **Philip Davies** (Shipley) (Con): What guidance is issued to the Crown Prosecution Service on the period of time within which charges in criminal cases should be brought. [312117]

The Solicitor-General: The Crown Prosecution Service is responsible for charging in about 35 per cent. of criminal cases. There is no separate guidance on time, but the principle is to charge as soon as possible, and there are obviously controls over the situation when people are remanded in custody. The hon. Gentleman made a freedom of information request about the average time between the police reporting to the CPS and a charge, and he received the answer 8.3 days. I do not know whether he found that helpful, because some cases are dealt with very quickly and others require a forensic report before there can be a charge. However, that is the average.

Philip Davies: The longer it takes the Crown Prosecution Service to decide whether to charge somebody, the longer very serious criminals could be out on the streets on police bail committing further crimes. The average time that the CPS spends making a decision ranges from three days in Cumbria to an astonishing 20 days in Northamptonshire. What is the Solicitor-General doing to address that?

The Solicitor-General: It is hard to pinpoint the hon. Gentleman's complaint. I do not know the nature of endemic offending in the two parts of the country to which he refers; there may be significant differences. However, people are not automatically on bail pending charge; some are remanded in custody. Then a charge becomes urgent, and the CPS respond accordingly. There have been vast improvements through statutory charging, and its efficacy has been praised in no less than four recent reports.

Defendants' Health (Prosecutions)

13. **Simon Hughes** (North Southwark and Bermondsey) (LD): What consideration the Crown Prosecution Service gives to the physical and mental health of defendants in making decisions to prosecute. [312118]

The Solicitor-General: The evidence that a defendant has a significant physical or mental illness may mean that the Crown Prosecution Service decides that the public interest does not always require a prosecution. However, the defendant's health must be balanced with the seriousness of the offence and the need to safeguard the public.

Simon Hughes: Is the Solicitor-General willing to see me about a case in which the charge has just been dropped at the second review by the CPS? It relates to a constituent of mine, whose son, a member of our staff, has worked for us in this building. It was clearly inappropriate, for a domestic matter that occurred at home, with no support from the victim—another member of the family—and where the evidence was clear from the beginning, to prosecute a seriously mentally ill individual.

The Solicitor-General: I know the case to which the hon. Gentleman refers, because we looked into why the hon. Gentleman was asking the question. Of course I shall meet him, and it is better if we talk about it privately, as it were, because it is a family matter. However, my general understanding is that there was a mental health issue, and that the CPS received information early that the condition could be controlled, but had not been at the time. That raised the question of whether, if the man in question again did not take his medication, there would be a further threat to someone else. Later medical evidence has, I think, helped to put the matter to rest, but I am certainly very happy to discuss the case

with the hon. Gentleman. I hope that nothing that I have said here upsets the family further. There are clearly issues to discuss.

Bribery Bill

14. **Jo Swinson** (East Dunbartonshire) (LD): What recent assessment she has made of the extent to which Crown servants are engaged in the activities contemplated in clause 12 of the Bribery Bill. [312119]

17. **John Hemming** (Birmingham, Yardley) (LD): What recent assessment she has made of the extent to which Crown servants are engaged in the activities contemplated in clause 12 of the Bribery Bill. [312123]

The Solicitor-General: The Government have assessed that there are occasions when the fight against serious crime, the protection of national security or the safety of the armed forces may require the authorities concerned to offer financial or other kinds of inducement in order to carry out their functions effectively. The extent to which such conduct occurs has not been quantified, as far as I am aware, but the Government are satisfied as to the need for the defence in general.

Jo Swinson: Can the Minister explain why the Government have felt it necessary to give the police and the Army a licence to bribe, given that the draft Bribery Bill covered only the security services, and that the Joint Committee on the draft Bill said that it had received no persuasive evidence that even that was necessary?

The Solicitor-General: The Bill is in the House of Lords, is it not? I understand that those responsible for the Government's business there have accepted that the Bill's current definition of who may be covered by this is too wide, and that it would probably be better to specify a list. Perhaps there would then be arguments about who was on the list, but that approach would significantly narrow the present terminology, which is pretty general.

John Hemming: What I find particularly odd in this proposal is that under clause 6 the police are to be allowed to bribe a UK official but not a foreign official. Why is that?

The Solicitor-General: There is a specific exclusion from clause 12 to match the OECD treaty, which prohibits bribery of a foreign public official. The services are not going to be allowed to bribe, except in very particular cases. It will be a defence, which would have to be raised if somebody were prosecuted for bribery, and the burden would be on them to raise it. The matter is still being debated in the House of Lords, and I am sure that the hon. Gentleman's colleagues are putting forward full frontal attacks. It seems to us, however, that we must not hamstring the security services.

David Howarth (Cambridge) (LD): Obviously, the Bribery Bill is very welcome. However, can the Solicitor-General confirm that this particular proposal allows not only the giving, but the receiving, of bribes by the armed forces, the police and the intelligence services? Can she also confirm what appeared to be said in the House of Lords—that in the view of Ministers the purposes for which this can be done include not only national security and suppression of crime but the furtherance of national economic purposes, which would not be consonant with our international obligations?

The Solicitor-General: It is very hard to give somebody a defence for giving a bribe if he has not given one already. Of course, the people to whom he has given it are ultimately likely to be involved in far more serious charges themselves. I have not understood economic advantage to have the remotest connection with it. This is about security, and it is intended to be used within a very narrow ambit.

Rape Cases (Prosecution)

15. **Mrs. Ann Cryer** (Keighley) (Lab): What steps she is taking to increase the rate of prosecution in rape cases. [312120]

The Solicitor-General: Steps that we have already taken have led to reports of rape to the police more than doubling in the past 10 years, and there has been a 50 per cent. increase in the number of convictions. We have set up a cross-governmental rape monitoring group, and there is a body continually going around areas of criminal justice to spread best practice from one place through all the others. We have commissioned Baroness Stern specifically to review the response of public authorities to rape, and she will report in February.

Mrs. Cryer: I thank my hon. and learned Friend for that very useful reply; we are clearly moving in the right direction. However, I think she will agree that at the end of the day there are too few successful prosecutions in rape cases, which could be because too many women are withdrawing. What are the Crown Prosecution Service and various police forces doing to support women so that they do not withdraw? Is anyone explaining to such women that when they do withdraw, the person concerned—the rapist—could well go on to rape and rape again, as in the recent "black cab" case?

The Solicitor-General: My hon. Friend hits on a very important point that needs to be made much more regularly, which is that much rape is serial offending. When women do not complain or when they withdraw a complaint, they are not just making a decision on their own behalf; in many cases they are potentially putting other people at risk. I do not want to put any more pressure on rape complainants than there already is, but there is a clear and emerging position that much rape is serial offending.

Almost all sexual offence complainants are now given an independent sexual violence adviser who stays with them as a befriender and supporter from complaint to at least the end of the criminal proceedings and who helps them into counselling after that. That is a great support that is helping more women to be ready to come forward and to sustain a complaint when they do.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Although it is true that the interests of complainants are very high in importance, so too are the interests of defendants. May I say that we must do nothing to dilute the principles that require a case to be proven beyond a reasonable doubt and ensure that the burden rests on the Crown?

The Solicitor-General: Wise words with which I totally agree. We are not seeking to do that and have not done anything that will. What is important is to support complainants so that the pressures of having to talk in front of a court about something extremely intimate, distressing and traumatising are not so overwhelming that people will not come forward and ensure that justice is done. That is what we have been trying to do.

Corston Report

16. **Julie Morgan** (Cardiff, North) (Lab): What contribution the Law Officers' Departments are making towards the implementation of the recommendations of the Corston report on meeting the needs of women with particular vulnerabilities in the criminal justice system. [312122]

The Solicitor-General: The Government accepted almost all of Baroness Corston's recommendations and are committed to diverting from custody vulnerable women who are not dangerous or serious offenders by strengthening services in the community that can tackle the complex needs of such women, who are frequently convicted of a lot of low-level offending. There have been 31 grants to such organisations, including Together Women and the Cardiff-based women's turnaround project, which is hosted by Safer Wales and offers practical support so that women can manage their lives better and do not fall into offending. My hon. Friend has been a great champion of the turnaround project.

Julie Morgan: I thank my hon. and learned Friend and congratulate the Government on the progress made on the Corston report and on the fact that the number of women in prison is now falling. I am particularly pleased about the Cardiff project. Does she agree that many women offenders are, or have been, victims of abuse to a disproportionate level? What more can the Law Officers' Department do to help women who have been abused as either children or adults when they present as offenders?

The Solicitor-General: My hon. Friend is absolutely right. When I chaired the Fawcett commission on women and criminal justice, the evidence made it plain that a disproportionate number of women in custody for low-level, non-dangerous offending had either been sexually abused or suffered domestic violence, and through the chaos that followed that treatment had declined into crime. Because at that stage we were not intervening as quickly and as well as we do now in cases of either domestic violence or sexual abuse, we were, in a sense, punishing them twice—by not helping them early enough to prevent them from descending into offending and then by putting them in custody when they offended. We are now trying to tackle the problem, and it is notable that organisations such as the turnaround project and Together Women deal with women not just after they have they have been convicted but after they have been abused, when their lives are becoming chaotic, to try to save them from ever descending into criminality at all.

Snow and Ice Clearing

18. **Mr. Philip Dunne** (Ludlow) (Con): What discussions she has had with the Crown Prosecution Service on whether householders may be prosecuted in relation to snow and ice clearing activities which lead to the injury of another. [312124]

The Solicitor-General: The short answer to the hon. Gentleman—I hope that he will not take it badly if I put it briefly, and I know that you will not, Mr. Speaker—is that there have been no discussions about prosecuting people for clearing snow and ice.

Mr. Dunne: I appreciate that the Solicitor-General might have been trying to clarify the fact that clearing is not subject to criminal action, and if that was what she intended to say, I am grateful to her. However, she will be aware of the considerable concern among householders in recent weeks that they are potentially liable to prosecution either from local authorities or in civil cases. It would be helpful if she could get clarification from colleagues, perhaps in the Ministry of Justice, that that is not likely to occur.

The Solicitor-General: When I saw that the hon. Gentleman's question was about prosecution, which is our responsibility as Law Officers, I sent back to the Crown Prosecution Service to ask it to scour the four corners of jurisprudence to look for anything that looked like a possible prosecution for snow clearing with some bad effect, but we could not find anything, whether relating to local authorities or anything else. Between us, the hon. Gentleman and I can probably rule out prosecution for clearing snow. Civil liability is a different thing. It looks very remote to me, but I am not going to give free legal advice.

Youth Matters (Expenditure)

19. **Mr. Andrew Pelling** (Croydon, Central) (Ind): How much was spent in respect of her responsibilities for youth matters in the last 12 months. [312125]

The Solicitor-General: The hon. Gentleman asks in general terms how much was spent on youth matters. Reducing youth crime and improving the criminal justice system for young people is a central part of the Government's effort to build safer communities, and action is planned for that.

However, if he is asking about such things as the Law Officers' youth network, which encourages understanding and respect for the rule of law and the criminal justice system, I can tell him that in the past 12 months, it has cost just over £4,500. In addition, the Crown Prosecution Service has spent almost £86,000 on a national schools project, with a similar information motive.

Mr. Pelling: Is there a danger that police officers spend too much time doing youth work that should really be provided by professional youth workers?

The Solicitor-General: The hon. Gentleman would be asking me only for a view about that, because the police are not my responsibility. My constituency engagement tells me that police are very usefully involved in talking in schools, and they are sometimes even posted at schools for a while and have regular liaison with them, but I doubt they go beyond the four corners of their responsibilities and try to give people counselling and advice. I am not sure anything is going wrong, but he should take the matter up with the Home Office if he is worried.

LEADER OF THE HOUSE

The Leader of the House was asked—

Reform of the House of Commons Committee

20. **Jo Swinson** (East Dunbartonshire) (LD): When the Government plans to respond to the report of the Select Committee on Reform of the House of Commons; and if she will make a statement. [312136]

The Leader of the House of Commons (Ms Harriet Harman): The Government firmly believe in strengthening the role of the House of Commons, and making Parliament more effective is an essential part of restoring public trust in our political system. As my right hon. Friend the Prime Minister said yesterday, the Government propose to accept a large number of the recommendations of the Wright Committee's report, including the election of Chairmen and members of Select Committees, a House Committee for scheduling non-Government businesses, and allowing Back Benchers to initiate debates on motions that will be voted on by the House. We intend to bring the matter to the House for debate and decision on 23 February.

Jo Swinson: I thank the Leader of the House for that response, and particularly for giving us the date, for which we have all been waiting, on which we will be able to discuss and vote on the Wright Committee proposals. I welcome the fact that the Government are minded to accept many of the proposals, although I would imagine that we are talking about House business, and therefore a free vote, and that it would not be for the Government to accept or reject the proposals. If the Government are accepting most of the proposals, which will she personally be rejecting?

Ms Harman: There will be a free vote on this—of course, this is House business—but the hon. Lady will be aware that it is for the Government to table the motions. We take the Wright Committee's argument that that needs to be done with two characteristics: first, we need to seek consensus in order to take the matter forward, which is certainly what our approach will be, and I look forward to working with her and other hon. Members; and secondly, we need to make progress bit by bit. We will be making a good start and, I hope, a substantive and major start, with four key areas that I have outlined for debate and, I hope, decision by the House on 23 February.

Mr. David Heath (Somerton and Frome) (LD): So now we know, after months of prevarication, that the full recommendations of the Wright Committee are not to be put before the House, that the House is not to be trusted to vote on all the recommendations, that the Government will choose those they accept, and that those will be the only ones put before the House. May I suggest to the right hon. and learned Lady that that is simply not right? It is not what was anticipated when the Wright Committee was set up, and it will be a grave disappointment to those who want genuine reform of this House.

Ms Harman: I do not think it acceptable to suggest that what we have done is prevaricate. I think the Wright Committee worked with expedition and on a wide-ranging area of complex issues. The Committee itself said that the matter needed to be dealt with bit by bit and that further work was needed on some proposals. The hon. Gentleman has a choice. Either he can seek to work with us to make progress, or he can get in a huff about the process. It is down to him to choose.

Sir George Young (North-West Hampshire) (Con): The Wright Committee did indeed work with expedition, as the Leader of the House has just said, whichis more than the Government have done—23 February is a long way off the eight weeks that the Wright Committee proposed for a response. Further to the question posed by the hon. Member for Somerton and Frome (Mr. Heath), can she confirm that, whatever the House decides on 23 February, those recommendations will be implemented before the Dissolution of Parliament?

Ms Harman: Indeed, we intend to give the House an opportunity to decide on a series of motions that will go beyond being an endorsement in principle and actually give to recommendations. I hope that the right hon. Gentleman will reflect on his attempt to suggest that we are dragging our feet on this issue. We want to ensure that we work together to bring forward changes that are comprehensively agreed.

The convention is that, after a Select Committee report, the Government have two months in which to make a response. It is 21 January today and the two months is up on 24 January, and I am giving the Government's response here. The response is that we will have a debate on 23 February and suggest that we go forward in four key areas. Rather than a written response that can be debated generally outside the House, we think that it is better for the Government to give the House the opportunity to debate and decide these issues. Again, I put to the right hon. Gentleman the point that I made to the hon. Member for Somerton and Frome (Mr. Heath). He can either get tangled up in an argument about the process or he can accept my suggestion that we work together to make substantive progress on four key areas of the Wright Committee's proposals.

Sir Nicholas Winterton (Macclesfield) (Con): Having campaigned for the handing back of authority from the Executive to the House for more than a decade—certainly while I was Chairman of the Procedure Committee and as a member of the Modernisation Committee—may I welcome the announcement by the Leader of the House, which was signalled yesterday at Prime Minister's questions? The Leader of the House has chosen the important and fundamental issues that will give greater authority to Back Benchers. As long as the motions will be decided on a free vote, I warmly welcome what she has said in answer to this question, and I look forward to the House having more authority by the time that I leave it at the general election.

Ms Harman: The request from the House to the Wright Committee was to make proposals that will—as the hon. Gentleman suggests—strengthen the way in which the House works.

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission, was asked—

CO2 Emissions

21. **Hugh Bayley** (City of York) (Lab): Which hon. Members have written to the (a) Serjeant at Arms and (b) House of Commons Commission in the last 12 months with proposals for the reduction of carbon dioxide emissions from the House of Commons part of the parliamentary estate. [312137]

Nick Harvey (North Devon): Responsibility for environmental matters in the House rests with the Director General of Facilities. In the last 12 months, four Members have written in with proposals for the reduction of carbon dioxide emissions on the parliamentary estate. Such correspondence is viewed as confidential, so it would not be right to name them. The number does not include Members who made requests for the Commons to participate in environmental campaigns, and several proposals were made orally or through parliamentary questions—*[Interruption.]*

Mr. Speaker: Order. Far too many private conversations are taking place in the Chamber. A question was asked and the hon. Member for North Devon (Nick Harvey) was answering it, but people kept on chuntering away. That is just bad manners.

Hugh Bayley: I am grateful to the hon. Gentleman. On 19 October, all members of the House of Commons Commission, from all parties, agreed that the House of Commons was not in a position to sign up to the 10:10 commitment. Two days later, the right hon. Member for Sheffield, Hallam (Mr. Clegg) proposed a motion committing the House to 10:10. Did the hon. Member for North Devon (Nick Harvey) tell his party leader that the House of Commons Commission had considered the matter and decided that it was not practical and that he personally would not vote for that motion?

Nick Harvey: I had a discussion with my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes), who was, I think, moving the motion to which the hon. Member for City of York (Hugh Bayley) alludes. I had a discussion with my hon. Friend and explained why the Commission, much as it would have wished to sign up to the 10:10 campaign, did not feel able to do so.

LEADER OF THE HOUSE

The Leader of the House was asked—

Parliamentary Questions

22. **Mr. Andrew Turner** (Isle of Wight) (Con): What recent discussions she has had with ministerial colleagues on the accuracy of responses to parliamentary questions. [312138]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): My right hon. and learned Friend the Leader of the House and I keep the quality and timeliness of Ministers' answers to written parliamentary questions under continuous review. Following recommendations by the Procedure Committee and discussions with my right hon. and learned Friend, the Prime Minister has recently written to Cabinet colleagues reminding them of the importance of answering written and parliamentary questions in a timely way and to an acceptable quality. We are, of course, always happy to make representations to Ministers on behalf of Members.

Mr. Turner: The number of ministerial corrections in the column headed MC in *Hansard* seems to be growing. Does that mean that the accuracy of ministerial responses is improving or getting worse?

Barbara Keeley: I have not reviewed that recently, but I am perfectly happy to look into it. Of course, both the Leader of the House and I, and the Procedure Committee, are aware that the number of written questions keeps climbing, and sometimes very large numbers of written parliamentary questions are tabled to Ministers and Departments on the same day. However, if there is interest in checking the accuracy figures, I am certainly happy to do that.

Mr. Lindsay Hoyle (Chorley) (Lab): Obviously, I am sure that the deputy Leader of the House will agree that there seems to be a growing problem with Ministers taking the easy option and saying that they do not have the information available. That could be on the salary of chief executives in the north-west or ambulance times, or even a basic question on Monitor. MPs are being denied such information because Ministers are taking the easy line. Will she do something about this?

Barbara Keeley: I am very happy to take up individual examples. The best response to such issues is to say that if Members give me examples of where they have had issues, I will be happy to write to Ministers and have meetings with them and officials, which I have done quite recently.

Question Time

23. **Mr. Philip Hollobone** (Kettering) (Con): If she will bring forward proposals to amend the procedures of the House to prevent hon. Members who have secured a question for oral answer by a Minister from also asking a topical question to the same Minister at the same Question Time. [312139]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): When it recommended the introduction of topical questions, the Modernisation of the House of Commons Committee concluded that Members should not have to choose between the two types of question. I understand the hon. Gentleman's point, but the Procedure Committee might have to consider the matter further based on the number of Members called on both substantive and topical questions at the same Question Time.

Mr. Hollobone: Under the old system, for an hour's Question Time to a particular Department, each Member of the House got one chance to ask a question. Under the present procedures, some Members get to ask two questions, while others are frozen out altogether. Given

the interest of the deputy Leader of the House and her boss in issues of equality, would she be kind enough to look seriously at that?

Barbara Keeley: It would be for the hon. Gentleman to make representations to the Procedure Committee if he wanted to have a change. Members feel that topical questions are quite a good opportunity to raise a question without notice, and they have proved to be one of the most popular innovations, so the issue is difficult. The Leader of the House is not responsible for the fairness of the shuffle, but this issue might be something for the Procedure Committee to look at.

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission, was asked—

Severe Weather (Staffing)

24. **Michael Fabricant** (Lichfield) (Con): What estimate the House of Commons Commission has made of the number of hours spent by staff covering for colleagues unable to get to work owing to the recent period of severe weather; and if he will make a statement. [312140]

Nick Harvey (North Devon): It is not possible to identify separately the additional hours worked by staff as a result of the recent severe weather, but I am sure that I speak for all Members of the House when I say that we are very grateful to the staff of the House for their commitment and flexibility in ensuring that services to the House and its Committees continued as usual.

Michael Fabricant: The hon. Gentleman has stolen my thunder, because I was going to ask him if he would join me, and indeed the whole House, in praising the valuable work undertaken at a very difficult time by members of staff who came in, in very bad weather, worked quite late on occasions to replace those who were unable to come in, and enabled a functioning democratic process, such as that in our House of Commons, to continue despite the appalling weather conditions.

Nick Harvey: I thank the hon. Gentleman for his remarks. We are grateful to those members of staff who battled in against the weather conditions and to those who worked extra hours. The House takes business continuity very seriously and has done everything possible to learn the lessons of last winter.

LEADER OF THE HOUSE

The Leader of the House was asked—

Members' Expenses

25. **John Mann** (Bassetlaw) (Lab): When proposals will be brought forward to implement Sir Christopher Kelly's recommendations on hon. Members' expenses; and if she will make a statement. [312141]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): In relation to those recommendations of the Committee on Standards in Public Life that were identified as requiring legislation, a written ministerial statement was made by my right hon. and learned Friend the Leader of the House on 10 December 2009 detailing the Government's proposals for legislation. The House will have the opportunity to debate those proposals shortly.

John Mann: We have now got a real dog's breakfast from Sir Ian Kennedy, who has come up with a series of proposals that totally contradict Sir Christopher Kelly. Kennedy clearly does not understand the role of an MP—how he perceives it is more than 30 years out of date. Why are we not implementing Kelly's thought-through proposals in full, so that we can move beyond the problem of MPs' expenses?

Barbara Keeley: MPs did decide not to decide on their own allowances. We have legislated to make the Parliamentary Standards Authority independent, and that body is consulting. I note my hon. Friend's strength of feeling on the issue, but that body is two or three weeks into its consultation. If he has strong concerns, which he clearly does, I would urge him and other right hon. and hon. Members to get involved in that consultation and tell the independent authority what they believe should be happening.

Mr. Edward Leigh (Gainsborough) (Con): Does the deputy Leader of the House agree that if we are to build on the progress that we have made over 25 years in enabling women in particular to live with their families both in London as Members of Parliament and in their constituencies, it is vital that we should have an allowance system that facilitates that? Moving to a system whereby new Members would be forced to live in tiny state-run flats in London would not help families to stay together in London and their constituencies.

Barbara Keeley: As I have just pointed out, Members have opinions and comments that they want to make, and it is important that they should do so. Sir Ian Kennedy and some of the other IPSA board members were here for a meeting with Members on Monday. They are due to have three other meetings as part of their consultation. I urge the hon. Gentleman to make his points in one of those meetings or in writing, whichever he prefers.

Natascha Engel (North-East Derbyshire) (Lab): I want to add my voice to the concerns expressed about weakening Christopher Kelly's proposals, which were welcomed by every person in this House—well, most people. The proposals outlined by the Independent Parliamentary Standards Authority weaken his proposals on travel, employing relatives and the capital gains allowance. My hon. Friend really must keep an eye on the proposals coming out of IPSA, because they are deeply concerning to everybody.

Barbara Keeley: I have to keep re-emphasising that that body is independent. This is not the place to debate such matters. The place to talk about them is in the consultation, either in writing or at meetings; it is not in this Chamber.

Tony Baldry (Banbury) (Con): Can the deputy Leader of the House explain to some of her colleagues that if Sir Christopher Kelly does not hold a proper consultation, any decision that he makes thereafter will be at risk of being challenged by judicial review? It is therefore in everyone's interest that, for future certainty, there should be a proper consultation, so that whatever proposals emerge are not vulnerable to being struck down by judicial review.

Barbara Keeley: Yes, indeed. The consultation process that is being embarked upon is statutory. The Parliamentary Standards Act 2009 says which Members are to be consulted, but in addition to the specific consultees who are listed, for the first time there will also be a substantial consultation with the public. The public can express their views, Members can and should express theirs, and I urge people to take part in that consultation.

Private Bills

26. **Mr. Peter Bone** (Wellingborough) (Con): If she will bring forward proposals for amendments to Standing Orders to reduce the number of private Bills introduced in a parliamentary Session. [312142]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): Private Bills enable individual local authorities to obtain legal powers that are additional to those generally given to them. Reducing the number of private Bills would mean denying that facility to local authorities or other bodies. Private Bills are also needed to deal with those bodies that are established under private Acts such as the Crossrail Act 2008 and the Channel Tunnel Rail Link Act 1996, which can be amended only by private Bills. I therefore have no plans to bring forward changes to Standing Orders.

Mr. Bone: I regret the response of the deputy Leader of the House. She is quite correct that large-scale projects such as the channel tunnel should be dealt with through private Bills. However, a lot of cities are currently trying to change the law on pedlars through private Bills, which is wasting parliamentary time. This afternoon we will spend another three hours on such Bills. Their number should be limited.

Barbara Keeley: I have figures for the length of time that was spent on private Bills in the 2007-08 Session: it was less than 0.5 per cent. of our sitting time. I am slightly surprised that the hon. Gentleman cannot see the benefits of a localised approach that gives specific powers when they are needed. There tend to be only three or four private Bills each year, and they do help local authorities when they have specific issues.

Exchange Rate Movements (FCO)

11.30 am

Mr. David Lidington (Aylesbury) (Con) *(Urgent Question)*: To ask the Foreign Secretary if he will make a statement on the impact of exchange rate movements on Foreign and Commonwealth Office programmes.

The Minister for Europe (Chris Bryant): I am grateful for this opportunity to make a brief statement. The total Foreign and Commonwealth Office budget comes in at roughly £2 billion, of which only £830 million is discretionary spend, as £1.1 billion is spent on subscriptions to international organisations, peacekeeping and counter-conflict funding, the BBC World Service and the British Council. There are significant challenges to the Foreign and Commonwealth Office budget, not least because 50 per cent. of it is spent in foreign currency, and exchange rate volatility has made it difficult for the Foreign Office.

My right hon. Friend the Foreign Secretary said in a reply to the right hon. Member for Richmond, Yorks (Mr. Hague) on 7 December 2009 that the estimated impact, including that relating to the overseas pricing mechanism, comes to over £100 million in the financial year 2009-10. There has been quite a lot of speculation about what this means for counter-terrorism. The FCO's overseas counter-terrorism budget has increased significantly in recent years. In 2008-09, it was £35 million; in 2009-10, we will be spending £36.9 million, and we are projected to spend around £38 million in 2010-11.

Mr. Lidington: What the Minister failed to confirm—I hope he will do so in a moment—was that his noble Friend Baroness Kinnock explained to the House of Lords yesterday that the Foreign Office was cutting its expenditure on counter-terrorism programmes in Pakistan and on anti-narcotics programmes in Afghanistan, not through any reassessment of strategic priorities but because of the movement of exchange rates and the Government's overall debt crisis. That is not the way to run an effective foreign policy. It is appalling that, yesterday, we had the spectacle of the Prime Minister standing in the House of Commons talking about fighting terrorism, while at the same time in the House of Lords, his Minister was admitting that debt and exchange rate problems meant that the Government were cutting the very counter-terrorist programmes to which they attach such importance in their public statements. That suggests that we have a Government—and, in particular, a Prime Minister—who are indifferent to the point of negligence towards the global interests of the United Kingdom.

I have three questions for the Minister. First, can he explain how the Government got themselves into this mess? We know that the problem started with the decision to end the overseas price mechanism and to transfer exchange rate risk from the Treasury to the Foreign Office. Did Ministers not understand what harm might be done to Britain's international interests as a consequence of that decision, and why did the present Foreign Secretary allow it to happen on his watch?

Secondly, what is the scale of the damage done so far? Can the Minister confirm the figure given to the Foreign Affairs Select Committee by his permanent secretary—namely, that the cost to the FCO in 2008-09 was £60 million, and Baroness Kinnock's statement yesterday that the shortfall has risen to £110 million in the current financial year and is set to rise further in 2010-11? Will the Minister also confirm that that figure adds up to about a quarter of the budget for the FCO's core activities, once the ring-fenced budgets for the British Council and the BBC World Service have been stripped out?

We know from the permanent secretary's evidence that, as a consequence of this, the FCO has now "stopped most training" and put some staff on involuntary unpaid leave or four-day weeks. We know from what Baroness Kinnock said yesterday that there have been reductions in conflict prevention work in Africa and in climate change programmes—again those to which Ministers have said publicly that they attach great importance. Is it not time for the Government to come clean about what they are doing and to make public a full list of the cuts they are imposing as a result of the debacle of their exchange rate policy?

Thirdly, what are Ministers' intentions for the future? I have seen an internal FCO memorandum from December last year that says

"further cuts could and should not be achieved by salami slicing",

but instead by stopping activity, closing posts and reducing staff numbers. Officials have apparently been instructed to work up contingency plans for substantial cuts, which

"could be implemented soon after the election".

As always, the difficult decisions are postponed.

The memorandum also states that this plan was discussed with the Foreign Secretary and his ministerial team on 21 December 2009. Did the Minister and his colleagues approve this strategy? In particular, how far has work now proceeded on a contingency list of British posts overseas that now face closure? How many of our embassies face the axe because of the Government's decisions on exchange rate risk, and when will Ministers finally come clean to the House and to the British people about what they are planning?

Chris Bryant: I shall respond first to the hon. Gentleman's questions about counter-terrorism, which I think is accepted by all Members as the overriding and single most important element of the work we have to do. The total amount of money we are spending on counter-terrorism is rising each year and the percentage of the amount we are spending on Pakistan has increased. Pakistan now receives 28 per cent. of the total amount of counter-terrorism spending; Afghanistan 13 per cent.; Saudi Arabia 7 per cent.; east Africa 7 per cent.; and Yemen 5 per cent. We believe that those are the appropriate priorities.

The total spend on Pakistan has therefore gone up from £3.7 million in 2007-08 to £6.2 million in 2008-09, £8.3 million in 2009-10 and we project it to be somewhere between £9 million and £9.5 million in 2010-11. I gently point out to the hon. Gentleman that we have been able to increase that funding because we have taken the right economic decisions for this country. I have never heard from any shadow Treasury Ministers that they would even protect the Foreign Office budget, let alone increase it as we have over the last few years.

The hon. Gentleman referred to the overseas pricing mechanism. We have been completely open about the existence of a problem here, and I think that the hon.

Gentleman must have written his comments before he heard what I said. I said quite clearly that the Foreign Secretary had replied to the right hon. Member for Richmond, Yorks, to whom I presume the hon. Gentleman occasionally talks. My right hon. Friend wrote to the right hon. Gentleman in December last year, saying that "the estimated impact" was going to be more than £100 million in 2009-10. The hon. Gentleman is absolutely right to say that the permanent secretary at the Foreign Office spoke openly and clearly on this matter when questioned by the Foreign Affairs Committee. At no point has there been any element of trying to obfuscate or hide the situation we face from the House or the public. No final decisions have been made about next year's budget. There are ongoing discussions with the Treasury and I hope that they will be fruitful.

Finally, the hon. Gentleman asked whether there is a list of posts that are going to be closed, whether some embassies are not protected and whether some work is going to come to an end. No, we believe it is vital to maintain our presence in the world, with Britain, as a great nation, making a significant difference around the world. We also believe that the overseas aid budget is an important part of the work we do in Pakistan. We are the second largest donor in the world, and will give £665 million over the period from 2009 to 2013. The hon. Gentleman can huff and puff as much as he wants about this, but unless he is prepared to make commitments about the Conservative party's funding after a general election, I do not think that anybody will take him seriously.

Mr. Edward Davey (Kingston and Surbiton) (LD): How does the Minister square what he has told the House with what his ministerial colleague Baroness Kinnock said in the House of Lords yesterday? She said:

> "Counternarcotics programmes in Afghanistan, capacity building to help conflict prevention in Africa, and counterterrorism and counter-radicalisation in Pakistan have all been cut".—[*Official Report, House of Lords,* 20 January 2010; Vol. 716, c. 992.]

In the light of the figures that have been given, is it not the case that the budget for counter-terrorism and counter-radicalisation in Pakistan was much higher at the beginning of this financial year? Why did the Foreign Secretary not demand that the Chancellor and Prime Minister make good any funding gap to secure such important programmes?

What representations have the British Government received from the United States or other allies in Europe and beyond about the impact of such dramatic cuts on our diplomatic efforts with them? If beating terrorism is the Government's top priority, they are clearly too shambolic to be trusted with the task. The country is at war to make Britain safe from terrorists. To do that, every military, political and diplomatic sinew should be strained. Our troops are risking their lives. If we do not put in the investment to counter the terrorist threat in Pakistan, we betray their efforts.

Chris Bryant: The hon. Gentleman mischaracterises the situation. As I have made clear—*[Interruption.]* He can point to House of Lords *Hansard* as often as he wants, but it will not make any difference to the facts. As I have articulated already, total counter-terrorism spending on Pakistan was £3.7 million in 2007-08, £6.2 million in 2008-09, £8.3 million in 2009-10, and we project next year's spending to be between £9 million and £9.5 million.

The hon. Gentleman is right in one sense: of course we would like to be more ambitious, but we have had to curtail our ambitions in this field. On burden sharing in counter-terrorism, the work that we do in Afghanistan and the work that we have done in Iraq, the truth is that this country bears a substantial burden. We have received no representations or criticism from other countries in that regard.

I find it a bit difficult to accept the hon. Gentleman's comments about the protection of people in this country, because his party has systematically opposed every measure that we felt necessary in that respect.

Keith Vaz (Leicester, East) (Lab): As the Minister knows, Lord West, the counter-terrorism Minister, has said that the budget for the security services has increased to £3.5 billion, a 250 per cent. increase. What concerns me about Baroness Kinnock's comments is the possible impact on the joint visa operation between FCO and Home Office staff. Abdulmutallab was denied a visa to come to this country to attend a bogus college because of the good work of our entry clearance operation. Will the Minister assure the House that that will not be affected by suggestions concerning changes in the rate of exchange, as it is an important way of preventing from coming to this country people who should not be here?

Chris Bryant: My right hon. Friend is right to say that the Foreign Office budget, and the £2 billion under discussion, is not the only budget that affects our relations with different countries. The UK Border Agency budget and the overseas development funding to Pakistan are also significant. We want to ensure that such funds are protected for aid and development, and are not siphoned off, as other parties have suggested, to deal with security issues. The figure does not include the funding of the Secret Intelligence Service, which is protected.

Sir Patrick Cormack (South Staffordshire) (Con): Will the Minister calmly and clearly tell the House whether Baroness Kinnock's comments were accurate or not?

Chris Bryant: As I have said to the hon. Member for Aylesbury (Mr. Lidington), Baroness Kinnock was right that the amount of money that we have spent on counter-terrorism in Pakistan has increased and will increase next year. There is not a cut; we will not spend less next year. However, we will be spending less than we had an ambition to spend.

Mr. Denis MacShane (Rotherham) (Lab): Is this not an artificial hullaballoo? Obviously if the exchange rate goes down, things will cost more abroad—every one of our constituents finds that out after taking the Eurostar to Paris. During my eight years as parliamentary private secretary and a Minister, we were constantly closing and opening posts and reallocating budgets.

I was shocked to learn that the actual real spend of the Foreign Office, as announced today, is £830 million, less than 1 per cent. of Government income. I think we should be spending more. However, the Conservatives

[Mr. Denis MacShane]

have an answer: if they win power, they will shut everything down by isolating us from Europe and the rest of the world.

Chris Bryant: My right hon. Friend is right. Ultimately, overall spending on our Foreign Office budget and, for that matter, all the budgets that affect our relations with other countries—including the budget of the Department for International Development—is a question for the whole of Government; and given the Conservatives' deliberate intention to cut budgets now, I do not think they have a leg to stand on.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The Minister has now acknowledged that we are going to spend less than was intended. Let me remind him what the Prime Minister said yesterday:

"The action that we are taking to counter terrorism at its source in the Afghanistan-Pakistan region and elsewhere is a central part of our wider counter-terrorist strategy."—[*Official Report*, 20 January 2010; Vol. 504, c. 303.]

May I ask the Minister why he did not include the information that there would be a real-terms cut in spending because of the exchange rate problem?

Chris Bryant: I think that the hon. Gentleman is confusing himself. He refers to a real-terms cut, but there will not be a real-terms cut.

Kelvin Hopkins (Luton, North) (Lab): I applaud my hon. Friend's robust answers to the hon. Member for Aylesbury (Mr. Lidington).

It is obvious that when our currency depreciates overseas costs go up, but does my hon. Friend agree that we must retain that degree of flexibility in our currency for broader economic reasons? Had we been stuck in the euro, we would now be in a disastrous situation, rather like that of Ireland. The Prime Minister must be congratulated on keeping us out of the euro all those years ago.

Chris Bryant: I had a sneaking suspicion that my hon. Friend might refer to this matter. I know from conversations with my counterparts in other Ministries of Foreign Affairs that they are experiencing similar difficult circumstances, because their currencies also vary in relation to other currencies in the world. The exchange rate between the US dollar and the euro has fluctuated significantly over the last two years, which has made things difficult for foreign affairs departments in other countries as well.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Is not this matter another example of the Prime Minister's lack of candour? Yesterday he said:

"We and our allies are still clear that the crucible of terrorism on the Afghan-Pakistan border remains the No. 1 security threat to the west."—[*Official Report*, 20 January 2010; Vol. 504, c. 305.]

He went on to detail what he was seeking to do, but what he omitted to say was that projected spending—anticipated and desired spending—on that very matter was to be cut, as Lady Kinnock has now made plain. Why did the Prime Minister fail to give the House that information?

Chris Bryant: I reject that charge. We have been very open throughout the process. The Foreign Secretary answered questions before the Foreign Affairs Committee, and the permanent under-secretary answered specifically on the issue of the overseas pricing mechanism.

No final decisions have yet been made about next year's budget, but we are engaged in discussions with the Treasury, which has been immensely helpful in trying to examine the issues with us. We want to ensure not only that we meet our absolute priorities, but that all our spending is clearly devoted to those priorities. That is what we are focusing on.

Mr. Tony McNulty (Harrow, East) (Lab): I thank my hon. Friend for confirming that the counter-terrorism spending of the Foreign and Commonwealth Office has risen and will continue to do so, especially its spending on Pakistan. Does he agree that the current events are occurring in the context of the largest ever spend by this country—domestic and foreign—on the intelligence and security services, and the largest ever significant spend on developmental and military activities in both Pakistan and Afghanistan, at a time when the Pakistan Government are themselves finally getting to grips with counter-terrorism? In the narrow field of counter-terrorism, at least, the Opposition's charges are irresponsible partisan drivel.

Chris Bryant: My right hon. Friend is right. Elements of the work we have done have not been as effective as we would have liked, and of course we constantly review the question of which are the right things to do. However, it is worth bearing in mind the fact that much of DFID's work in its overall £665 million spend in Pakistan has been focused on education programmes and support for better economic management in Governments, which, I would argue, has had an effect on counter-terrorism as well.

Stewart Hosie (Dundee, East) (SNP): I am sure the Minister would agree that anxiety has been caused by the apparent contradictions between Baroness Kinnock's statement, his statement today on rising budgets, and the reported shortfall of £110 million. However, he did say that he wishes to be open, so can he arrange for a root-and-branch review to be carried out of the FCO's foreign currency exchange operations, including a very close look at how—and, indeed, whether—they hedge against losses? It seems ridiculous to me that a Government the size of this one cannot take the necessary simple steps to minimise the losses from foreign exchange movements.

Chris Bryant: Significant elements of Government spend have, in fact, been assisted by the fluctuation in the value of the pound—my hon. Friend the Member for Luton, North (Kelvin Hopkins) referred to that. It has also made it much cheaper for foreign visitors to come to the UK. The hon. Gentleman is right, however, to suggest that we have to keep this process under constant review. We must also make sure we get the best value for money around the world by balancing how many UK staff we have in different overseas posts, and how many locally employed staff we have, while still maintaining a core team effort across the whole of our presence.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I appreciate that there are sensitivities in providing detailed information on the impact of exchange rate fluctuations on British expenditure on counter-intelligence and security measures. However, will the Minister undertake to provide a full list of other areas where exchange rates have an impact, such as staffing? Will he place such a list in the Library for everybody to look at, detailing which countries, embassies and high commissions will be affected?

Chris Bryant: To be honest, I think that would be very burdensome to produce, and it would be a constantly changing document anyway. I am more than happy to be open with the hon. Gentleman, but I am not sure that what he suggests would be helpful. A lot of the British Council's spend is also overseas, so it has faced a difficult time in relation to currency fluctuation as well, whereas the World Service, the vast majority of whose spending is in this country, has not met these problems.

Mr. Greg Hands (Hammersmith and Fulham) (Con): There is also the important question of the hedging of the risk. Can the Minister tell us whether any hedging has taken place since the abolition of the mechanism in 2007, and if so, how much of the 50 per cent. foreign exchange expenditure has indeed been hedged and how it has been hedged? If it has been hedged properly, the gains on the hedge should offset the losses outlined by Baroness Kinnock yesterday.

Chris Bryant: The process of hedging happens within financial years, and I am very happy to write to the hon. Gentleman about it. My right hon. Friend the Foreign Secretary wrote to the shadow Foreign Secretary about this before Christmas.

Mr. Paul Goodman (Wycombe) (Con): As the Minister knows, some of the programmes in Pakistan are anti-radicalisation programmes; they are essentially extensions of the Prevent programme here. Has an assessment been made of the effectiveness of these programmes, and whether or not that is the case, will they be cut?

Chris Bryant: We always have to review the success of such projects. One of the difficulties is that some of the elements of them deliver outcomes only over a sustained period. Consequently, it is difficult at one snapshot moment to assess the precise value and the impact they are having, but the hon. Gentleman is absolutely right to say that that is one of the things we need to do, and if elements of the programme do not work, we should cut them back and find other ways of engaging that are more effective.

Mr. Andrew Pelling (Croydon, Central) (Ind): Will the Minister respond to his Front-Bench counterpart in respect of the description of the exchange policy as a debacle? It is, in fact, especially well timed to have a devaluation when there is excess capacity, as we get low inflation. Also, if there has indeed been hedging, as the Minister said in response to the hon. Member for Hammersmith and Fulham (Mr. Hands), does he not accept that it is his responsibility to ensure that money is recouped into this budget and is fully protected?

Chris Bryant: In the Foreign Office, we also have to do a bit of good housekeeping. We are reviewing, and discussing with trade unions, the allowances paid to UK staff based abroad and those working for the Foreign Office in the UK. Where savings can be made that are consonant with ensuring there is a high level of morale in the Foreign Office and we deliver value for money, we will make them.

Mr. William Cash (Stone) (Con): As the Minister will know, the debates on fiscal responsibility that took place in the last few days have demonstrated the fiscal irresponsibility of what he describes as a great nation. He and his Government have brought this country to its knees.

In the context of the issue before us now, the results of setting up European embassies, and also Europol, in Afghanistan, which were discussed in the European Scrutiny Committee only a couple of days ago, are part of this problem. There has been a failure there because we are putting money in the wrong places. We should be using British money for British purposes, and not spending money on completely pointless operations that are not working effectively.

Chris Bryant: As much as I like the hon. Gentleman, I completely and utterly disagree with him. I believe that if we had not taken the necessary financial steps that we took over the last 18 months, and instead had taken his advice and that of his political party, this country and others that have followed similar routes would have ended up in a slump or a depression. I believe the decisions we have made have put us in a stronger position for the future, and I think we will be seeing precisely that over the coming days. I should just say, too, that across the whole of Government, spending on counter-terrorism in Pakistan increased by 50 per cent. from the last financial year to this one.

Mr. Philip Hollobone (Kettering) (Con): Can the Minister confirm whether in times past, when exchange rates were the other way round, the Treasury clawed back any surplus? If it did so, does that not go straight to the heart of the argument and suggest that the Treasury should come to the rescue this time?

Chris Bryant: Well, it does not quite work like that, but the way it does work was set out by my right hon. Friend the Foreign Secretary in a letter to the right hon. Member for Richmond, Yorks, and I think it would help the whole House if I were to lay a copy of that letter in the Library of the House.

Business of the House

11.57 am

Sir George Young (North-West Hampshire) (Con): May I ask the Leader of the House to give us next week's business?

The Leader of the House of Commons (Ms Harriet Harman): The provisional business for next week is as follows:

MONDAY 25 JANUARY—Remaining stages of the Financial Services Bill.

TUESDAY 26 JANUARY—Consideration in Committee of the Constitutional Reform and Governance Bill (day 4).

WEDNESDAY 27 JANUARY—Opposition day [3rd allotted day]. There will be a debate on dementia services and care of the elderly, followed by a debate on out-of-hours care. Both debates will arise on an Opposition motion.

THURSDAY 28 JANUARY—Topical debate: Subject to be announced; to follow, the Chairman of Ways and Means will name opposed private business for consideration.

FRIDAY 29 JANUARY—Private Members' Bills.

The provisional business for the week commencing 1 February will include:

MONDAY 1 FEBRUARY—Remaining stages of the Flood and Water Management Bill.

TUESDAY 2 FEBRUARY—Consideration in Committee of the Constitutional Reform and Governance Bill (day 5).

WEDNESDAY 3 FEBRUARY—Motions relating to the police grant and local government finance reports.

THURSDAY 4 FEBRUARY—Remaining stages of the Corporation Tax Bill, followed by remaining stages of the Taxation (International and Other Provisions) Bill.

FRIDAY 5 FEBRUARY—Private Members' Bills.

I should also like to inform the House that the business in Westminster Hall for 4 February will be:

THURSDAY 4 FEBRUARY—A debate from the Joint Committee on Human Rights entitled "Demonstrating Respect for Rights? A Human Rights Approach to Policing Protest".

Sir George Young: I am grateful to the right hon. and learned Lady for giving us the forthcoming business. Further to the exchanges that have just taken place, which she might have heard, it struck me that a number of issues were left hanging in the air, so I think it might be helpful to have a debate in Government time on the Foreign and Commonwealth Office budget.

May I repeat my request for a debate on Haiti? The tragic events there have been the most terrifying humanitarian disaster witnessed in recent years, and apart from a very short exchange at Department for International Development questions yesterday, the House has not had an opportunity properly to debate it, so will she take this as a suggestion, yet again, for next week's topical debate?

Further to the exchange of a few moments ago about the Wright report, may I say that I am delighted that at long last the Government have belatedly accepted some of our arguments for strengthening and reforming Parliament, and that we welcome them to the table? The Leader of the House announced that there would be a debate on 23 February, but what really matters is not what the Government have decided—she told us what that was—but what the House decides. She has denied the House an opportunity to debate this until 23 February, some three months after the Wright Committee reported, and there is no good reason for that delay.

May I again press the Leader of the House for a clear commitment on the question that I asked a few moments ago? If, for the sake of argument, the House agrees on 23 February to the setting up of a Back-Bench business committee—I hope that it will agree to such a committee—can she assure the House that all the necessary changes to Standing Orders will be made before Dissolution, so that at the beginning of the next Parliament, irrespective of who has won, we can establish a Back-Bench business committee? I hope that she can give me and the House that clear commitment.

Mr. Speaker, may we play another round of the popular panel game that the Leader of the House hosts each week, "Guess the date of the Easter recess", which still awaits a winner? I have asked seven times why she has been unable to supply the date in the usual way and, although she does not pause and she does not hesitate, she is extremely repetitive. Can she give us the Easter countdown today? Can she also tell the House when the Chancellor will present his Budget?

Can the right hon. and learned Lady clarify what is going on with the Constitutional Reform and Governance Bill? She has announced two more days for consideration, but there is confusion about whether one of those days will be wasted on debating the alternative vote, when we might be debating the Wright report. Yesterday, the Prime Minister appeared to embrace voting reform, but only three days ago it was reported that the parliamentary Labour party was split down the middle, with the Schools Secretary lobbying against any amendment to the Bill. What is going on? Are we going to debate it? On what side of that dividing line does she lie?

May we have a statement on the Government's nutrition action plan? This was promised by December 2008, but we are now in 2010 and that report has still not been published. All the evidence shows that the incidence of malnutrition in our hospitals is getting worse, not better, so when can the House expect to debate that report? May we also have a debate on the performance of Her Majesty's Revenue and Customs? According to the National Audit Office, the department failed to answer 44 million calls last year, with just one in three inquiries being responded to at busy times, such as when tax credits need to be renewed. Vulnerable people cannot afford to be put on hold, so when can we have a debate about that?

Finally, may we have a debate on the speech on inequality that the right hon. and learned Lady is due to make tomorrow? The whole country will be bewildered by the total confusion in the Government's strategy on this. One week we are told that the Prime Minister wants to soak the rich, the next week, following a conversation with Lord Mandelson, he is promising support for middle Britain and now the right hon. and learned Lady is promising to open up a new front in the class war. Is this confusion due to the Labour party manifesto being dreamt up on the hockey fields of St. Paul's?

Ms Harman: I join the right hon. Gentleman in acknowledging the great importance of the international effort to tackle the appalling suffering that has followed the earthquake in Haiti. I wish to pay tribute to the search and rescue teams that have gone out from this country and to say how important the Department for International Development aid contribution is, not only in terms of the search and rescue effort, but of the assessment of and contribution towards the reconstruction that will be required. I should also say how important the incredible generosity of the British public is. I believe that about £20 million of additional aid has been pledged immediately by DFID, but that about £26 million has come from donations by individual members of the public, not only those who have relatives and friends in Haiti, but other good-hearted people who want to help do their part in alleviating the suffering. Not everything good that happens is done by government.

Last week, we made a statement on Haiti and this week, as the right hon. Gentleman said, we had DFID questions and the issue was also addressed in Prime Minister's questions. I agree with the right hon. Gentleman that we need to keep the House updated on Government and international action, and we need an opportunity for Members to contribute. I shall look for an opportunity, in some form or another, for Haiti to be debated on the Floor of the House next week.

On the Wright Committee, yes, of course, what is important is what the House decides. Although I think that it is perfectly right and proper that we place before the people at the general election a big choice of an alternative view as to how Britain goes forward, with the Tories on one side and us on the other—and the other parties in the fray too—when it comes to the way this House operates, we should surely be able to work together, as the hon. Member for Macclesfield (Sir Nicholas Winterton) said earlier, to try to make progress. I shall offer to have plenty of fights with the right hon. Member for North-West Hampshire (Sir George Young) on many issues and on many occasions, but can we just try to work together sensibly on this, because on 23 February we might be able to make some progress? Rather than spending a lot of time saying, "Why is it on 23 February, rather than 23 January?", let us get on with working together to ensure that we make our 23 February debate an opportunity to make progress. If we make progress then, we will, as I said earlier in questions to the Leader of the House, be able to pass resolutions that put into effect the proposals from the Wright Committee, so that they can begin in operation before the House rises.

As far as Easter is concerned, it is on 4 April.

On the Constitutional Reform and Governance Bill—I shall call it the CRAG Bill, as I keep getting the name wrong—we have had a full day on Second Reading and three days on the Floor of the House for the Committee stage already. We have two further days on the Floor of the House, thus making five days in Committee. We have a day on Report and Third Reading, which makes seven days in all. A number of Committees have looked at this Bill, including a Committee of both Houses that looked at the draft Bill, so this House will have given it thorough scrutiny, and the proposals that will be introduced by way of Government amendments or new clauses will be brought forward in the normal way.

On HMRC and tax credits, the right hon. Gentleman can be sure that we are pledged to continue to improve tax credits, which make a very big difference to families on middle and modest incomes. We want to support those who are working, and working hard, by topping up their income with tax credits, and we will continue to support the way that that is distributed.

On equality, it is clear from reading the statement that the Secretary of State for Communities and Local Government made just before last week on race and socio-economic inequality or the Government response via the Department for Business, Innovation and Skills to the Milburn report on access to the professions, as well as the Department of Health's report on health inequalities—the Marmot report—that will be considered soon or the very important report from the National Equality Panel, which is chaired by Sir John Hills, which will be published next week, that this Government is in no doubt that this country ought to be a place where everyone, no matter what their family background, no matter whether they are a man or a women and no matter what their ethnic origin, can achieve their full potential. We should have a fair society where everyone can fulfil their aspirations, not one held back by prejudice or discrimination. The Hills report will show that we have halted the inequality that increased so badly in the '80s and '90s, but we have to take more action to eradicate it, for the sake of not only every individual, but of having a prosperous economy and a peaceful society.

Mr. David Heath (Somerton and Frome) (LD): May I welcome the indication that the Leader of the House gave that there would be a debate on Haiti? In her response on that issue, she mentioned the exchanges at yesterday's Prime Minister's questions. May I say that it was hugely welcome that the Prime Minister made a short statement on Haiti, and did so in considerable detail? However may I put it to the Leader of the House that there is a growing tendency for Ministers and, in particular, the Prime Minister to use short Question Times to make what are, in effect, statements, and that that is not helpful to Back Benchers who want to put questions? If there is a statement to be made, will the right hon. and learned Lady encourage her right hon. Friends to make it as a statement rather than using Question Time to do so?

Yesterday, the Prime Minister was also asked a very pertinent question, it seemed to me, by my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) about the takeover of Cadbury. The Prime Minister's answer was—how can I put it—a little bit "Curly Wurly", and possibly even "Flake-y". May we have a statement from the relevant Department on the role of the Royal Bank of Scotland—a bank owned by the British people—in providing the finance for a takeover of a British company by an American conglomerate? That issue must be answered.

May I welcome the additional day that has now been provided—I had a bit to say about this when we debated the programme motion on Tuesday—for consideration of the Constitutional Reform and Governance Bill? However, the right hon. and learned Lady has still not answered the question put by the right hon. Member for North-West Hampshire (Sir George Young), the shadow Leader of the House. Will she simply say, without equivocation, whether a Government amendment on

[Mr. David Heath]

the reform of our electoral system will be tabled for debate in Committee? Yes or no? She must have decided by now, surely; it has been fought over for weeks. Will she tell us whether there will be such a Government amendment?

May we have a debate on the continuing problem, which I know affects a lot of Members on both sides of the House, of funding in further education and the activities of the Learning and Skills Council? After the fiasco of last year, a huge number of decisions are waiting on a backlog of schemes that were given provisional support but on which the funding has not been confirmed. That delay affects a college in my constituency, Frome community college, and the college is now desperate to know whether the scheme, which is supposed to be going ahead this year, can go ahead and whether the funding will be provided. May we have a debate on that?

May I return to a point made by the right hon. Member for North-West Hampshire? The Leader of the House has answered, very helpfully, with the date of Easter. I am personally not terribly interested in the dates of the Easter recess, but I am very interested to know when the Budget will be. Will she tell us what the date of the Budget will be?

Ms Harman: The hon. Gentleman mentioned statements and the question of Haiti. As I have said, we had a full statement from the Secretary of State for International Development on Haiti and I think that it was important for the Prime Minister to update the House yesterday during Prime Minister's questions. It is important not just that we hear from the Secretary of State but that the Prime Minister has the opportunity to update the House. The Prime Minister has made an unprecedented number of statements in the House on a range of issues and we will continue to keep the House informed on action in Haiti.

As for the Cadbury's debate, I would certainly not want to give a "Flake-y" response. Perhaps I can give a "Crunchie" response and tell the hon. Gentleman that there will be an Adjournment debate on the matter on the Floor of the House next week. This is an important issue because people are concerned not only about their pride in this historic brand but, above all, about the work that is generated for 5,500 people in factories up and down the country. It will be debated on the Floor of the House next week.

On the Constitutional Reform and Governance Bill, the Secretary of State for Justice will bring forward amendments and new clauses in the normal way. This is not an occasion for the announcement of Government new clauses on individual Bills.

On the Learning and Skills Council, I shall ask Business Ministers to look into the case of Frome community college. We all recognise that despite the fact that there has been a great deal of important extra funding for further and higher education, the LSC presided over mismanagement on that very important programme, which is only just being sorted out. I shall ask Ministers to look into the case of that college but I have to say to the hon. Gentleman that Frome community college and all other further and higher education would not prosper if his party had its way and introduced savage cuts.

Several hon. Members *rose—*

Mr. Speaker: Order. Twenty-seven right hon. and hon. Members are seeking to catch my eye. As always, I should like to be able to accommodate everybody, but if I am to have any chance of doing so, I shall require the help of the House in the form of short questions and short answers.

Hazel Blears (Salford) (Lab): I hope that my right hon. and learned Friend can clear something up for me. On 4 January, the Leader of the Opposition said that giving married couples a tax break was

"something we want to do, something we believe we can do"

and

"something...I'll definitely hope to do".

Will my right hon. and learned Friend provide time on the Floor of the House for a debate on married couple's allowance so that we can all be enlightened about the difference between a promise, a belief, an aspiration, a pledge and any other word that might describe the Leader of the Opposition's policy?

Ms Harman: I note that the Opposition have not chosen the married couple's allowance as the topic for their Opposition day debate next week. One thing that my right hon. Friend's question brings out is the fact that families cannot rely on the Opposition. They can rely on this Government to back them up. We would not penalise women who get divorced and we would not use a tax penalty to penalise men who find themselves divorced. We want to support families in all shapes and sizes, including not only families made up of parents and children but grandparents, who play an important role.

Mr. Edward Leigh (Gainsborough) (Con): The Leader of the House will know of the work of the Liaison Committee in improving financial scrutiny in this House, which has led to the alignment project in the Treasury, which I welcome. As we will debate increasing the powers of Select Committees on 23 February, will she say that she is at least open-minded—I am not asking for a commitment—about giving Select Committees more resources through the Scrutiny Unit and eventually more powers through substantive motions to control spending in the House of Commons, which was a traditional function of the House of Commons?

Ms Harman: The Wright Committee made some recommendations in that regard and when we come to the debate on 23 February, that issue can be thoroughly aired.

Jacqui Smith (Redditch) (Lab): May I push my right hon. and learned Friend on the subject of a debate about support for families so that I can raise the concerns of working parents across Redditch—married and unmarried—who fear that they will lose the little bit of help that comes from their tax credit, as well as access to Redditch's children's centres, so that funding can be given to an unthought-through and ill-conceived tax break to encourage them up the aisle?

Ms Harman: It might well be a good idea to have a debate on this issue. On that occasion, we will ask the Opposition to explain whether they think that any couple has got married thinking, "Well, we weren't

going to get married but we will get married now because we have heard that there will be a tax break." Relationships do not work like that and there is no evidence that couples can be made to stay happy together simply on the basis of a tax break. The point about the proposed tax break is that it will not work when it comes to making families happy together. However, it will penalise those who find that their marriage has failed and stigmatise children in families who have not stayed together. Such a debate might be a good opportunity to air the subject on the Floor of the House.

Philip Davies (Shipley) (Con): May we have a debate on the impact of the Human Rights Act 1998 on immigration? On Monday, the Bradford *Telegraph and Argus* reported how the Somali man who hid the killer of PC Sharon Beshenivsky won his appeal against deportation on the grounds of human rights, rightly angering the family of Sharon Beshenivsky and the West Yorkshire police federation. Surely, when the Government passed the Human Rights Act, they did not have it in mind that it would stop Somali nationals who hide the killers of police officers from being deported from the country.

Ms Harman: The Human Rights Act is a matter for interpretation by the courts, but whenever the Government believe that an interpretation by the courts has crossed the line and interfered with national security, we do not hesitate to take action either to appeal or to amend the substantive law.

Mr. Parmjit Dhanda (Gloucester) (Lab): Will my right hon. and learned Friend consider a debate in parliamentary time on the subject of regional spatial strategies and their current status, particularly in the south-west, where we have been waiting for them for quite some time? As we have been waiting, local authorities such as Stroud district council have been working with speculators and developers to dump their entire housing allocations on the end of places such as Tuffley in the Gloucester district area. Clarity, an early debate and early decisions would be very helpful.

Ms Harman: Perhaps that is something that my hon. Friend, who I know strongly supports the communities living in his constituency, can raise in Communities and Local Government questions next week.

Sir Nicholas Winterton (Macclesfield) (Con): I indicated earlier at Question Time that I welcomed the debate on the reform of the House, and that I shall certainly support the motions to be tabled by the Leader of the House. However, will she admit that there is ongoing concern that the House Committee that she has announced will deal only with Back-Bench business and not with the overall business of the House? Does she accept that there has been no mention as yet of the reduction or removal of guillotines—programme motions—on the remaining stages of a Bill? Those stages are very important for Back Benchers who were not part of the Public Bill Committee and were not called to speak in the Second Reading debate.

Ms Harman: The Wright Committee made a great many proposals on a wide range of issues, and recognised that they needed to be taken forward step by step. The hon. Gentleman is absolutely right: what I said in my comments this morning, and what the Prime Minister said yesterday, was that we had identified the need for a House Committee for Back-Bench business to be brought forward. I hope that we can agree that on 23 February. I also hope that those who think that we should have a House Committee for Government business will not make the best the enemy of the good, and that we can achieve a wide range of agreement the next time we debate the matter on 23 February.

Martin Salter (Reading, West) (Lab): I am sure that the Leader of the House remains a committed reformer of Parliament, but the Prime Minister made the incredible commitment yesterday that he would implement all three tranches of the Wright Committee report. Will she assure the House that there will be an immediate vote as well as a full debate on 23 February on the resolution that the Wright Committee prepared, rather than any other device?

Ms Harman: Actually, there are four tranches, as follows: the Chairs of Select Committees to be elected by the House, the membership of Select Committees, private Members' motions that can be brought to the House to be debated and voted on, and the question of the House Committee. We want to take the opportunity to debate those matters and then adopt resolutions to give them effect. If, as I hope and expect, there is consensus in the House on those four areas, we want to get work under way. The point is to make a start on those matters over which there is the widest possible agreement.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The right hon. and learned Lady will have heard the evidence given to the Chilcot inquiry by the former Defence Secretary, the right hon. Member for Ashfield (Mr. Hoon), to the effect that it was the decisions of the present Prime Minister that resulted in British forces going to war in Iraq under-resourced, and in the lack of helicopters in Afghanistan. She will also have heard the Prime Minister's statement that he is willing to give evidence to the inquiry before the general election. Can we have a debate next week so that the House can encourage Sir John Chilcot to call the Prime Minister to give an account of his activities before the general election?

Ms Harman: The Prime Minister has made it clear that the Chilcot inquiry operates under the general procedures that usually govern such inquiries. Sir John Chilcot has said that he will take as much of the evidence in public as he can without risking national security. The Prime Minister has said that he will give evidence as and when requested to do so. We should leave it to the members of the independent Chilcot inquiry to get on with their work, and not constantly breathe down their necks or tell them whom they should call, and when. We should not try to discuss the results of the inquiry before it has even produced a report.

Mrs. Ann Cryer (Keighley) (Lab): May we have an early debate on a possible conflict of interest in the Office of the Rail Regulator? The ORR has responsibility for both investment and safety, but we now discover that 1,500 front-line workers are to be made redundant

[Mrs. Ann Cryer]

by Network Rail. Those people have responsibility for track inspection and maintenance, overhead cabling and signalling, all of which are crucial to the safety of the railways for passengers and rail workers. Could we therefore have a look at this conflict of interest?

Ms Harman: My hon. Friend is a great champion of rail users. She has urged that more freight as well as more passengers should go by rail, and she is also a great champion of those who work on the railways. Perhaps I could suggest that she raise the issues that she has brought to the House today with Ministers at Transport questions next week.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Wright Committee, which was elected by this House, addressed itself to the problems that arise at Report stage, when key groups of amendments go undebated and key decisions on legislation are not even put to the House. In its conclusions, the Committee said that

"we recognise that unless the current problems in this area are resolved, then there will continue to be dissatisfaction and a sense that the House is failing to perform one of its core duties. In those circumstances, we will have failed one of the primary parts of our mission."

Does the Leader of the House agree?

Ms Harman: Well, I agree that we should do everything that we can to make sure that all aspects of a Bill are scrutinised at all stages, but to some extent that is in the hands of the House. One thing that I will never understand is why people who justifiably complain about the lack of time to debate substantive issues use up loads of time on procedural motions. If we used that time to debate the substantive issues, we would reach more conclusions.

Dr. Tony Wright (Cannock Chase) (Lab): This is normally a session for complaints and demands, so may I simply say that I welcome what the Leader of the House has said about a secure date for the House to consider the report from the House of Commons Reform Committee? In addition, I endorse her hope that the House will want to operate on a consensual basis, and that there will be a mechanism enabling it to come to some firm decisions.

Ms Harman: I am glad to have the opportunity to thank my hon. Friend for his very important work in proposing the Committee. His effective leadership has brought the Committee very quickly to some profound and radical solutions. I think that Members of this House can have major arguments, debates, disagreements and rows about the economy, public services and the sort of society that we want in the future, but I hope that we can at least agree on a non-partisan basis about how to ensure that the House works better in future.

Mr. Peter Bone (Wellingborough) (Con): My concern about the Wright report is that the consensus will be between the Executive and the shadow Executive, and that it will not take the views of Back Benchers into account. The consensus must be across the House, and not just between the two Executives.

Ms Harman: I hope that we can build a consensus across the whole House based on the proposals made by the Wright Committee, which is a Back-Bench Committee. I do not think that any of its members would say that they were responding to pressure from either the Executive or the shadow Executive, and they would give anyone who suggested that a dusty answer. The Wright Committee is made up of Back Benchers, and we have responded to their proposals by saying, "Fair enough, let's get on with implementing a great many of them."

Mr. Gordon Prentice (Pendle) (Lab): Do the Government intend to bring in a stand-alone Bill to deal with non-doms in Parliament, or will the Government rely on amending the Constitutional Reform and Governance Bill?

Ms Harman: We are determined to make sure that people who are not prepared to be registered as taxpayers domiciled in this country cannot purport to represent taxpayers in constituencies or legislate in the House of Lords in ways that affect taxpayers. The only real question—my hon. Friend has adverted to it—concerns the right vehicle for bringing the matter to the House. We expect to reach a conclusion on that shortly and to bring it to the House.

Ann Winterton (Congleton) (Con): Notwithstanding the fact that there will be a defence review in the next Parliament, whoever wins the general election, may we have a debate on future defence policy in the light of the thought-provoking speech to the International Institute for Strategic Studies by the Chief of the General Staff, General Sir David Richards? We need such a debate not least because of the profound implications for the three services, and for procurement in particular.

Ms Harman: The hon. Lady will know that we have regular defence debates. There will probably be one next month, so perhaps she can amplify her comments then.

Natascha Engel (North-East Derbyshire) (Lab): I, too, welcome the announcement of a debate on the Wright Committee report on 23 February. Normally, honourable parliamentarians on both sides of the House would share my disdain when changes are introduced to legislation or to the procedures of the House on a nod and a wink and under the cloak of consensus, but that does not apply in this case. I was a member of the Committee and I was not part of that consensus. Will my right hon. and learned Friend guarantee that none of the proposals will be introduced without a full debate on every issue? I do not share the consensus on electing the Chairs and members of Select Committees, or on the establishment of a House business committee. I have deep concerns about those proposals, and I want a full debate on them. I am not part of this consensus.

Ms Harman: There will be a full debate, and I hope that there will be reassurances on my hon. Friend's concerns. I know that she played a full part in the Committee, but following its majority decisions, we would like to see changes made in the four areas that I have identified.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): The Infrastructure Planning Commission is about to receive an application from Hinkley Point in Somerset. Everything is going well, and I am very grateful for the Government's support, but we have hit a snag. The relevant Department also has to do its own consultation, and it is not doing it

properly. Can we please have time to debate that? Unless the IPC gets the application right, the application could be knocked back or, worse still, undermine the whole IPC system. Can we have time to discuss that?

Ms Harman: The hon. Gentleman could raise that issue in Communities and Local Government questions next week and obtain an answer from the Secretary of State or one of the Ministers in that Department.

Derek Twigg (Halton) (Lab): May we have an early debate about debt, debt collection and, in particular, the activities of bailiffs? I have received an increasing number of complaints from constituents, many of them young single mums, about the intimidating and bullying behaviour of debt collectors. Although people should pay back their debt, they should not be subject to such behaviour. One of the big issues is that people do not understand their rights in terms of access to their homes, so can we have a debate as soon as possible about that issue?

Ms Harman: My hon. Friend makes an important point, about which a number of hon. Members might be concerned, so in the first instance he might seek a debate on the Adjournment or in Westminster Hall.

Mr. Philip Hollobone (Kettering) (Con): May we have a statement from the fire services Minister about the tremendously good work that British firefighters, who are specialists in urban search and rescue, are doing in Haiti? I had the privilege of visiting their state-of-the-art training facility at Moreton-in-Marsh in Gloucestershire, and their tremendously good work really should be commended.

Ms Harman: I am sure that everybody agrees with those sentiments. If the hon. Gentleman wants a further chance to question Communities and Local Government Ministers, he should take up the opportunity next week at Communities and Local Government questions.

Julie Morgan (Cardiff, North) (Lab): There has been a further welcome fall in the unemployment figures for Wales this week, but many of my constituents will suffer from the announcement that Bosch, in the constituency of my hon. Friend the Member for Vale of Glamorgan (John Smith), will close with the loss of 900 jobs. When can we have a debate not only about the very welcome measures that the Government have introduced to help people who lose their jobs, but to discuss what more can be done?

Ms Harman: We remain very concerned about the jobs question, which is very much at the top of our agenda, and I shall refer to the Business Secretary and the Secretary of State for Work and Pensions the points that my hon. Friend has made. I agree with her about how important it is that, for the first time, unemployment has gone down—based not only on the claimant count, but on the International Labour Organisation unemployment rate. That is in marked contrast with previous recessions, when unemployment went up dramatically and continued to rise long after the economy had returned to growth. That shows, in a reversal of the Tory election slogan, that Labour is working.

Dr. Andrew Murrison (Westbury) (Con): The Leader of the House will be aware of increasing public concern at excessive bank charges and the Office of Fair Trading's decision to throw in the towel. Can we have a debate, in Government time, about the Government's failure to extract a voluntary agreement? They promised that they would extract one from the banks, but they have so far failed.

Ms Harman: I agree with the hon. Gentleman that we need strong regulation and regulatory bodies to protect consumers. We have no doubt about that; it is his party, generally speaking, that regards such measures as the nanny state, as a burden on business and as a surfeit of regulation. However, if he wants to support our stance of leaving no stone unturned to protect consumers and ensure the right regulations, he can work with us to achieve it.

Mr. Richard Caborn (Sheffield, Central) (Lab): May I reinforce the request for a debate about married couples' tax breaks, a policy that contrasts starkly with the concerns of my constituents, who have benefited hugely from child tax credits and the child trust fund? My constituents are greatly concerned by such "back to basics" Victorian standards. The real worry is that the Leader of the Opposition is becoming more and more a captive of the right-wing of his party, which, as I have said, contrasts very much with this Government's approach to tax breaks for the family.

Ms Harman: My right hon. Friend has hit the nail on the head. It is a modern-day version of "back to basics"—it is "back to basics" with an open-necked shirt. People want good support for families, which come in all shapes and sizes, and we rightly have child tax credits, child trust funds and Sure Start centres. Those are the practical measures that help families make their way in life, and it does not help families to be told by politicians of any Government that they should get married and stay happily married. No Government's Ministers have all been able to manage that, so how can we tell people, through tax relief, that they should be able to do so?

Mr. Andrew Pelling (Croydon, Central) (Ind): I am grateful to you for calling me towards the end of these proceedings, Mr. Speaker, which saves my having to go to the gym, which I need to go to because I have been eating too much chocolate. Everyone keeps referring to chocolate, but that is very dangerous. Fudge is obviously the chocolate of choice for us here; the Leader of the House obviously has a soft caramel centre; and I have a close connection with Frank Muir's and Cadbury's "Fruit and Nut Case".

To be serious, I must say that we can benefit from more people visiting the Palace of Westminster, but unfortunately, as we tell visitors, it has a habit of burning down. Bearing in mind that there is now a different line of route, through Westminster Hall, what can be done to ensure that there are proper facilities to advise people of any emergency, and that we are able to detect fires as early as possible?

Ms Harman: That is an important issue not just for Members, but for those who work for Members, all other staff and, as the hon. Gentleman has said, people who visit. The House has a detailed programme of

[Ms Harman]

works to make the whole parliamentary estate compliant with fire safety legislation. That programme is based on an assessment of fire risk and is planned to be completed over a number of years. It includes the installation of automatic fire detection and voice alarm systems, fire compartmentalisation and detailed services. I shall ask the House authorities to write to him with further information.

Kelvin Hopkins (Luton, North) (Lab): I strongly support the request by my hon. Friend the Member for Keighley (Mrs. Cryer). There are also serious concerns about the feeble performance of the rail franchise companies—especially First Capital Connect—about the ordering of new rolling stock from foreign producers rather than British-based producers and about the future, given the inadequacies of, and cuts in, rail freight capacity. We need a wide-ranging, general debate about the whole railway industry.

Ms Harman: Transport questions take place next week, as I told my hon. Friend the Member for Keighley (Mrs. Cryer), but my hon. Friend the Member for Luton, North (Kelvin Hopkins) has raised broader issues that go beyond an oral question to the Minister during that session. I shall therefore consider the issues that my hon. Friend has put forward, possibly for a topical debate.

Andrew Rosindell (Romford) (Con): It should come as no surprise to the Leader of the House that immigration is one of the British people's top concerns, having had 13 years of our immigration system's shambolic mismanagement by the current Government. Will she make time for a debate about the subject? If we do not tackle it, the gainers will be those on the far right, whom none of us wants to succeed.

Ms Harman: The House considers immigration regularly, not only in statements but in questions, and the Prime Minister answered a question about it from the hon. Gentleman yesterday. However, I shall keep under review the question of whether there should be a full and further debate.

Tony Lloyd (Manchester, Central) (Lab): Clause 1 of the Equality Bill gives legislative backing to my right hon. and learned Friend's words a few moments ago about the impact of socio-economic class in our society, and the importance of making not simply a statement about but a reality of Britain as a nation where no child is limited by, among other things, their socio-economic class, which has disfigured this nation for so long. Will my right hon. and learned Friend tell the House whether the Equality Bill, which is now in the Lords, will come back with that part intact, so that we can say to the British people that it is a Labour Government who have put that legislation into practice?

Ms Harman: I thank my hon. Friend for that question. We considered the Equality Bill in the House of Commons, and we included in it clause 1, which requires all public authorities, when taking big decisions and taking action, to consider how they play their part in narrowing the gap between rich and poor and making for a more fair and equal society. Despite the fact that the Tories voted in Committee against that measure for social mobility and for people to achieve their aspirations, the Bill has gone to the House of Lords, and I fully expect it to come back to the House of Commons with that clause in it. We want to see a more fair and equal society. We have made a lot of progress, but more progress needs to be made.

Mr. Tobias Ellwood (Bournemouth, East) (Con): May I underline the calls for a debate on Haiti and British involvement and support there? Yesterday, the Prime Minister announced that a decision has been made to send the Royal Fleet Auxiliary Largs Bay to the Caribbean. It will take three weeks for that ship to arrive. We already have a ship there, HMS Iron Duke, which has marines on board, helicopter support and so forth. It could provide assistance immediately instead of waiting for three weeks. I urge the Leader of the House to allow us to have a debate on Haiti immediately.

Ms Harman: As I have said, we have had a statement and the Prime Minister's response on this. I would hate the hon. Gentleman to give the wrong impression to people who care so much about the fact that we should do everything we can to help people faced by the devastation in Haiti. We are providing immediate assistance with our search and rescue teams out there. We provided immediate additional resources to the international aid effort, so we are not waiting three weeks. However, we recognise that the effort to help people in Haiti will need to go on for much longer than the immediate crisis period. Therefore, we will be fully engaged with the need to plan not only for the immediate term but for the next months and, indeed, years. I am sure that the hon. Gentleman would agree with that.

Mr. David Drew (Stroud) (Lab/Co-op): Will my right hon. and learned Friend find time for an urgent debate on the role of the Governor of the Bank of England? Will the board—that is, the Cabinet—consider giving him the football manager's vote of confidence, so that we can get someone in who actually knows about the economy such as David "Danny" Blanchflower?

Ms Harman: We all heard David Blanchflower's comments. Labour Members support the idea that there should be public investment to ensure that the recovery in the economy takes root, so that we do not take any risk with the recovery and threaten it by pulling the plug on public investment.

Mr. Speaker: Order. I am pleased to tell the House that after the exchanges between the shadow Leader of the House and the Leader of the House, 27 Members from the Back Benches who wished to contribute to business questions were able to do so in the period of 28 minutes occupied by those Back-Bench exchanges. That shows what can be done when the spirit is willing, both among those Back Benchers and, indeed, very creditably and fortunately, on the part of the Leader of the House. I am grateful to the House for its co-operation.

ROYAL ASSENT

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Acts:

Video Recordings Act 2010

Beverley Freemen Act 2010.

Point of Order

12.44 pm

Mr. Philip Hollobone (Kettering) (Con): On a point of order, Mr. Speaker. May I seek your advice about the conduct of business for the rest of the day? I see from the Order Paper that the next debate is going to run for one and a half hours, which would take us to about quarter past 2, but the business after that does not start until 3 o'clock. Will you advise the House on why the Leader of the House and the appropriate authorities have not made appropriate provision for the efficient conduct of business today?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. I think that I am right in saying that the requirement that the private Bills set down for debate this day should begin at 3 pm is a requirement of the Standing Orders of the House. That is, I hope, the conclusive answer to question posed by the hon. Gentleman.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): Further to that point of order, Mr. Speaker. The Leader of the House tabled a motion to vary that requirement for today, so that we would have been able to start that business as soon the topical debate had finished, but Conservative Members objected to it. That is why we will have to suspend the House, wasting time on procedural matters, which relates to the point that the Leader of the House made earlier. I hope that we will not be doing too much of that in future, because we could have got on with this afternoon's business more promptly.

Mr. Speaker: I am very grateful to the Deputy Leader of the House. Obviously, it is not a matter for me to say anything about wasting time; I would not dream of making such a partisan remark. However, I think that I owe the hon. Member for Kettering (Mr. Hollobone) an apology, because I suggested that my own response to his point of order might be considered to be conclusive. Clearly, it was not, but it is fair to say that the response by the Deputy Leader of the House was indeed conclusive.

Food Industry Competitiveness

12.46 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): I beg to move,

That this House has considered the matter of food industry competitiveness.

Let me begin by congratulating the food sector on its progress as a successful industry that provides us with a wide range of tasty and healthy foods. The industry contributes more than £80 billion to our economy and is our largest manufacturing sector; the food and farming industries employ 3.6 million people. The industry contains high-tech and innovative companies and is well placed to meet the challenges of the future: producing more food, for more people, while minimising its environmental impact on the planet, adapting to a low-carbon future and continuing to make more efficient use of resources.

To meet these challenges, the Government's food strategy, "Food 2030", which we published on 5 January, sets out our vision of what the food system should look like in 2030. The industry welcomed this vision; I thank the National Farmers Union, the Food and Drink Federation and the British Retail Consortium for their words of support. A thriving food sector will be better placed to invest in the changes necessary to deliver that vision. The Government are committed to fostering competitive markets that work in the best interest of consumers, and the groceries supply chain is no different. By looking for ways to help make markets work better, we can enable businesses to compete freely and fairly, giving UK consumers more choice and better value.

Mr. David Drew (Stroud) (Lab/Co-op): With that in mind, when will the Government bring forward legislation on the supermarket ombudsman or support the private Member's Bill promoted by my hon. Friend the Member for Ynys Môn (Albert Owen)? The hon. Member for St. Ives (Andrew George) and I, among others, want that to be done in this Parliament rather than waiting for a future Parliament.

Jim Fitzpatrick: I am grateful to my hon. Friend for his question. If he will bear with me, I will come to that when I discuss in some detail the Government's announcement that we are in favour of an ombudsman following the conclusion of considerations by the Competition Commission, which has made a number of recommendations. The Office of Fair Trading also has a role to play. I know that he and many other Members in all parts of the House have been lobbying for this initiative for some considerable time, and it has been welcomed pretty much across the piece.

Lynne Jones (Birmingham, Selly Oak) (Lab) *rose—*

Jim Fitzpatrick: I will give way to my hon. Friend, but I am limited to 10 minutes and I want to get my remarks across so that as many colleagues as possible can contribute and I can respond in due course.

Lynne Jones: In advance of my Adjournment debate on Tuesday on Cadbury, and because I have to leave for a constituency engagement, may I take this opportunity to ask the Minister what lessons the Government are learning from the hostile takeover of Cadbury, which

[Lynne Jones]

has meant that a well-run, debt-free company is now saddled with billions of pounds-worth of debt while those who have no interest in the long-term health of that company or any other industry have made a huge killing?

Jim Fitzpatrick: As my hon. Friend knows, that is a matter primarily for the Department for Business, Innovation and Skills, and my noble Friend Lord Mandelson and his ministerial colleagues are examining it closely. We want to ensure that the best interests of the UK economy, UK production and UK workers are to the fore in the consideration of the takeover. I am a West Ham United supporter and, having followed the football club's recent takeover, I know that anybody who is interested in any takeover of a commercial operation wants to ensure that it is as successful as possible. I know that the Cadbury-Kraft issue will evolve in the weeks and months ahead, and my hon. Friend and many other Members will take a keen interest and wish everybody success.

As I said, there has been mounting concern over recent years among various industry and lobbying groups about the power of the major supermarkets and the impact that that has on the supply of groceries, including the ability of local producers to access markets. The Government and the Office of Fair Trading shared those concerns and asked the Competition Commission to investigate the groceries market and see whether supermarket power was detrimental to consumer interests. We welcomed the commission's final report, published last year, and thanked it for its work.

The commission found that in many respects, competition between supermarkets was strong and working effectively. Competition in the groceries market provides consumers with diverse choice, good value and low prices, and that is reflected in the numbers of shoppers who choose to buy their groceries in supermarkets. However, the commission identified two adverse effects on competition—areas in which the market structure does not work in the best interests of consumers.

The first finding was that in some areas local groceries markets were dominated by single retail chains, restricting the choice available to shoppers. We are still considering our response to that. The second finding was that certain supermarkets' practices passed unacceptable risks or costs on to suppliers—mainly food manufacturers and processors—creating high levels of uncertainty about their income and so limiting their ability to invest and innovate.

The commission proposed a number of remedies and recommendations to address the adverse effects on competition identified. They included a new groceries supply code of practice—GSCOP—for all supermarkets with a turnover of more than £1 billion a year. The Office of Fair Trading will play an important role in overseeing its implementation. Additionally, the commission recommended that the Government establish an ombudsman, as my hon. Friend the Member for Stroud (Mr. Drew) mentioned, to monitor GSCOP and arbitrate disputes between suppliers and retailers.

That is a complex issue, and we have considered the recommendation carefully. My hon. Friend the Minister for Further Education, Skills, Apprenticeships and Consumer Affairs announced on 13 January that he agreed with the Competition Commission that there was a need for a body to enforce the code of practice independently, to prevent retailers from being able to pass excessive risks and unexpected costs on to their suppliers. To support that, it was decided that the ombudsman should also have the important power of hearing anonymous complaints.

The revised code of practice is a great improvement on the current regime. However, the power that large grocery retailers remain able to wield over their suppliers can still create pressures on small producers, especially in these difficult economic times. Ultimately, that may have an impact on consumers.

Philip Davies (Shipley) (Con): Does the Minister not accept that the best ombudsman is the customer? I have no idea about the Minister's experience of working in the supermarket industry, but does he not agree that for any supermarket to succeed, by definition it has to have good relationships with its suppliers?

Jim Fitzpatrick: The hon. Gentleman makes a very good point. It is important that the retail sector has good relationships with its suppliers, and by and large that is the case across the piece. However, in the course of the investigations into the relationship between supermarkets and producers, processors and the farming industry, it became clear that there had been some abuses. For example, sometimes there were no written contracts between the retail sector and the producers and processors, which seems very strange in this day and age. Also, prices were being changed after the event, which meant that the price that a producer or processor expected was not reflected in the cheque that came through the post from the retailers. Those abuses were taken into account, which was why the strengthened code of practice was produced and why all parties concluded that an ombudsman of some description would be appropriate to oversee the application of the new code. We were not convinced that the system was working as effectively as it could have done.

Dr. Andrew Murrison (Westbury) (Con) *rose—*

Nick Herbert (Arundel and South Downs) (Con) *rose—*

Jim Fitzpatrick: I give way to the hon. Member for Arundel and South Downs (Nick Herbert), who leads for the Opposition. If the hon. Member for Westbury (Dr. Murrison) will allow me a couple of minutes, I will give way to him if I can get through my remarks.

Nick Herbert: I am grateful to the Minister. Does he agree that the Competition Commission was clear that the absence of action would have meant suppliers innovating and investing less, and that crucially, that would not be in the interests of the consumer and could lead to higher prices in future? The chairman of the commission said recently that the economic downturn was a reason for action, not inaction.

Jim Fitzpatrick: The hon. Gentleman makes a very important point. Processors and producers needed certainty that the payment agreements and contracts that they had entered into would be honoured, allowing them to

project what their future investment in their business or farm should be. That was not happening across the piece, and the uncertainty could have led to a number of businesses and farms going under. As he said, that could ultimately have acted to the detriment of the consumer.

Andrew George (St. Ives) (LD) *rose—*

Mr. Philip Hollobone (Kettering) (Con) *rose—*

Jim Fitzpatrick: I am wasting time explaining this, but if I can give way—

Mr. Hollobone: On a point of order, Madam Deputy Speaker. The Minister is making a very interesting speech that we are all following closely, but I am not convinced that he is aware of the extra time that he gets for allowing interventions. I wonder whether you might be able to enlighten him.

Madam Deputy Speaker (Sylvia Heal): I inform the hon. Gentleman that the Minister does not get time for each intervention in these debates. He gets one minute of additional time, but it is still up to him to determine whether he will take an intervention.

Jim Fitzpatrick: I am grateful for your explanation, Madam Deputy Speaker. I can tell the hon. Gentleman that I have had the additional time that I was allowed for the first two interventions. I have since taken two or three others, and as I said, if I have time I will certainly give way to him. However, I am not sure whether I will get through my remarks. I will have to run through them at pace.

GSCOP will come into force on 4 February, and we will quickly follow that up with a consultation on how best to enforce it, including on the structure of the ombudsman and what powers it could have. We do not anticipate that a significant impact on consumer prices or staffing levels in retail will result from the creation of an enforcement body. We will consult not on whether a body is needed—we have decided that—but on exactly how that body will operate. We will consult on its nature and role, to ensure that all interested parties can make their views heard and that informed decisions are made.

The new, tougher code and proper enforcement will mean that the grocery supply market works in the long-term best interests of consumers. The new ombudsman will help strike the right balance between farmers and food producers getting a fair deal and the interests of supermarkets. That will enable consumers to get the high-quality British food that they want at an affordable price. Helping our farmers produce as much as they can, while using fewer resources, is at the heart of the Government's food strategy, "Food 2030."

I have previously commented in the House on the relationship between retailers and farmers. GSCOP will be for companies that supply produce direct to retailers. Most fresh produce is supplied to retailers through intermediaries such as packers, processors and fresh food wholesalers rather than by farmers. Although most farmers will therefore be outside the direct scope of GSCOP, the limited value of direct purchases by grocery retailers from farmers understates the closeness of the trading relationship between primary producers and grocery retailers. As farmers may be members of, or shareholders in, intermediary businesses that market their produce to grocery retailers, in that respect GSCOP will provide them with some certainty.

As I have said, the industry contributes more than £80 billion to our economy and is our largest manufacturing sector. Through our "Food 2030" strategy, we will work to help ensure that it can thrive as an innovative, competitive and resilient sector, and as a sustainable source of growth and jobs. The Government are supporting the food industry not only through funding for innovation and skills but through our public procurement policies, through our "Love Food, Hate Waste" campaign to reduce waste, and by supporting the development of small and medium-sized enterprises and promoting regional foods.

Andrew George: In the circumstances, why are the Government proceeding with a further period of consultation? Office of Fair Trading referrals to the Competition Commission on this matter go back to April 1989 and the supermarkets will want to string the process out for as long as they possibly can. There have been inquiries and consultations enough. Why not simply implement the policy now?

Jim Fitzpatrick: The hon. Gentleman makes a fair point about the impatience of many of us regarding progress on this matter. However, as the hon. Member for Shipley (Philip Davies) said, there are still differences of opinion about the operation of an ombudsman. The Conservatives made a proposal on that recently, the Government are clearly outlining a different structure and responsibilities, and I am sure we will shortly hear the views of the Lib Dems from the hon. Member for St. Ives (Andrew George). The consultation will offer certainty that after the election campaign there will be an ombudsman and that all three parties will have had the opportunity to say in detail what shape and powers the ombudsman should have. They will also have the opportunity to say whether the ombudsman should be inside the OFT or an independent entity. That is what the consultation will be about.

In conclusion, the new code and its enforcement, which are the result of two intensive investigations by the Competition Commission, will ensure that markets work effectively in the interests of consumers.

1.1 pm

Mr. James Paice (South-East Cambridgeshire) (Con): May I remind the House of my interests, which are declared in the register?

I welcome the fact that at last we are having a debate on food and farming in Government time. I cannot remember the last time that happened, but I congratulate the Government on it, even if they have hung the debate on a very small hook—the one action they have taken that they believe to be in the interests of agriculture.

I shall address the issue of the ombudsman later, but the Minister began by referring to "Food 2030", which the Opposition welcome. After nearly 13 years in office, the Government have recognised that they got it wrong in their previous 12. The two previous Secretaries of State—the present and previous Foreign Secretary, indeed—repeatedly said that domestic food production

[Mr. James Paice]

was unnecessary and that our food security could be achieved by importing from several different countries. In that time, pork production went down by one third, and bacon and ham by a quarter. Production of poultry, vegetables, milk, eggs and most of our commodities also declined before the Government saw the error of their ways.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Does my hon. Friend agree that one advantage of having domestic suppliers is that it guarantees the quality of the produce and helps substantially to encourage local economies?

Mr. Paice: My hon. Friend makes a very important point. Local sourcing guarantees provenance. Of course, it does not always guarantee high quality, but it certainly enables the consumer to know where a product comes from and to check the quality, which we strongly support.

Dr. Murrison: My hon. Friend knows of my interest, albeit amateur, in the pork industry. Does he agree that for consumers to exert choice they need to know from where a product is sourced? Does he share my concern that certain supermarkets are in the habit of claiming that pork is sourced in the UK, but when one looks on their shelves, one finds that their bacon is produced anywhere but the UK? Does he agree that the ombudsman needs to look into that as a matter of urgency?

Mr. Paice: I have never known my hon. Friend to do anything amateurishly, and I will come to the issue of food labelling in a few moments.

The real issue with "Food 2030" is not what is in it, but what is not in it. There are no substantive proposals to restore the prosperity of our food supply industry, and therefore assure us of food security. The first thing must be to ensure that consumers are properly informed. We must have proper, honest country-of-origin labelling, initially in the meat sector. Even the Government have come round to that, but they have blocked four different private Members' Bills that would have provided such labelling. While the Minister and the Secretary of State have been declaring their support for country-of-origin labelling, we have it on record that Food Standards Agency officials have been voting against it in meetings in Brussels. There is not a lot of substance there.

"Food 2030" says that agriculture must be supported by first-class research and development, yet the Government have been cutting funding on agricultural research for most of the past 12 years. The fundamental objective of the document is that the demand for food should be met by profitable, competitive, highly skilled and resilient farming—fish and food—businesses. It refers to the market and sharing risks, yet the Government have taken two years to respond to the Competition Commission report.

We wholly support the new code of practice—GSCOP, as it is being called—and as we announced before the Government did, we support the idea of an ombudsman. Some think it odd that the Conservative party supports an ombudsman.

Philip Davies: Hear, hear!

Mr. Paice: I know that at least one of my Back-Bench colleagues takes that view. My hon. Friend is an aficionado of Adam Smith and he will recall that Adam Smith actually says that a true free market is one in which there are an equal number of buyers and suppliers, which, of course, is patently not the case in the grocery market. The ombudsman is about addressing a market failure, not about interfering in a free market. However, we welcome the Government's albeit belated decision to respond.

Andrew George: The hon. Gentleman says "albeit belated", but he is quoted as saying at his party's conference in October:

> "There needs to be a code of practice properly enforced, but whether that requires a freestanding ombudsman which would be a new bureaucracy is not clear."

It would therefore be fair to say that the change in the Conservative position is also belated.

Mr. Paice: That is absolutely astonishing nonsense. We have done exactly what I said at that time. We have said that we will appoint an independent ombudsman, not in a separate office with all the paraphernalia—a reception and a new set of office rates and so on—but within the OFT. We want an independent, discrete unit within the OFT in order to keep the costs of providing an ombudsman down, but he would none the less be independent.

I would be interested know whether the hon. Gentleman supports the principal spokesman for the Liberal Democrats on such matters. The latter says that we should have not an ombudsman but a price regulator who would fix prices, which would be totally contrary to European Union and World Trade Organisation law. The hon. Gentleman is completely deceiving farmers in this country if he believes that a Liberal Government—God forbid that one should ever exist—could actually fix the prices that supermarkets paid farmers for their milk or anything else. I look forward to his response to that.

The "Food 2030" document refers to the need for better and more friendly regulation. That from a Government who introduced national muck-spreading day and put in statute the date when farmers may go and spread their muck!

The Department for Environment, Food and Rural Affairs has a target to reduce its administrative burden by 25 per cent. by May, but it will not hit it. The expectation is that at best it will reach 20 per cent., but even so, that is 20 per cent. of the wrong target, because targeting administration costs completely ignores the capital costs on businesses of meeting DEFRA regulations. The nitrate-vulnerable zone storage regulations cost tens if not hundreds of thousands of pounds to each and every livestock farmer in the country. The cost of regulation is still huge. Even if the Department declares in a few months' time that it has decreased the administrative burden by 20 per cent., I do not expect many farmers to have noticed the difference.

Mr. Hollobone: I am most grateful to my hon. Friend for mentioning NVZs and the increased capital costs faced by farmers, particularly dairy farmers. However, the milk industry is clearly part of a chain where the market is not working properly. Farmers cannot sell

milk for a greater price than it takes to produce it. What is the answer to the problem of reviving the dairy industry in this country?

Mr. Paice: I obviously do not have time to retail a long list. We have two debates on the dairy industry in the House and Committee next week, when my hon. Friend might want to go into a bit more detail. Many dairy farmers are making a profit: part of the problem is the 6p or 7p a litre difference between the highest and lowest prices paid. The other issue is the cost of production. In a market in which the Government no longer—rightly—set prices, they are bound to do what they can to reduce the input costs, and that is part of what I am addressing, especially on regulation.

On the issue of regulation, can the Minister bring us up to date on the situation with battery cages? We are hearing many stories of backing down on the 2012 ban, and we know that most European countries have hardly begun to introduce the enriched cages. What will the Government do to protect our industry and those farmers who have made significant new investment, but face egg imports from countries that have not done so?

The Minister also referred to public sector food procurement. He mentioned improvement, but there has been precious little of that. This country should be predominant in supply of orchard fruit, given the industry in Kent and parts of the Welsh marches, but domestic supply fell from 46 per cent. in 2006-07 to 30 per cent. in 2007-08. The Government are consulting on a pilot healthier food mark, but does the Minister agree that that should involve the Red Tractor, or is it true that they propose to drop it from their proposals?

Animal health is critical if we are to compete with other countries, especially in the grazing sector. The Government have announced their responsibility and cost-sharing proposals and appointed Rosemary Radcliffe to look into the issue and produce a report in November. However, we will have a draft Bill this month or next. What can be in that Bill if we will not have the substantive proposals from Ms Radcliffe until November? We cannot talk about increasing production and ignore the fact that some 40,000 head of cattle were culled last year because of bovine tuberculosis, up from 3,000 head a year when the Government took office.

Mr. Eric Martlew (Carlisle) (Lab): Can the hon. Gentleman confirm that Conservative policy is to cull badgers in England?

Mr. Paice: Conservative policy is to attack this disease with a comprehensive strategy using all available measures and, yes, that does include recognition that will require selective culling in certain hotspots, but not across the whole of England, as the hon. Gentleman implies. We will continue to study the science as it develops over the next few weeks and months. A vaccine that is of any use—an oral vaccine, in other words—will not be available until 2014 and, at the current rate of expansion anything between 80,000 and 100,000 head of cattle could be slaughtered each year by then. I suggest that we cannot wait until 2014 for any improvement.

With your indulgence, Madam Deputy Speaker, I wish to ask the Minister about another animal health issue not directly related to food—at least not in this country. It relates to the outbreak this week in Wiltshire of equine infectious anaemia in two horses imported from Romania. My understanding is that EU law has, since 2007, required testing prior to export. I hope that the Minister can tell us what has gone wrong, whether those animals were tested and how they got to Wiltshire before being detected.

The Minister also referred to energy and waste reduction. He may not be aware that over the past few weeks I have tabled questions to every Department about food waste and only the Department for Environment, Food and Rural Affairs has been able to give me any figures. Almost every other Department has said that it does not collect those statistics. I suggest that the Government start leading by example and collecting those statistics. The Government talk about spending £10 million on anaerobic digesters as demonstration plants, but that ignores the fact that many are already in place and running, based on renewable obligations certificates. We now find that the Department of Energy and Climate Change proposes to renege on those certificates and there will be no grandfather rights for existing plants. However, DEFRA proposes more regulations on the size of store that will need a licence—another difficulty for anybody who wants to set up an anaerobic digestion plant, even though this country is already way behind in that area and needs to improve.

When it comes to the Government's document, rarely can there have been so much hype over so little substance. The Government seek credit for admitting that they have got this issue completely wrong for the past 12 years, because domestic food production does matter. That is in the face of the fact that the farming and food industries have been saying for years that the Government's policy was wrong. The Conservative party has consistently called for food security, but the Government rubbished it. The Conservative party called for honest labelling and country-of-origin information, and the Government blocked that. The Conservative party is committed to public procurement, but we have a pale imitation of that from this Government. We are committed to an ombudsman, and all we have from the Government is a consultation. For years, the real interests of the countryside, farming and the food industry have been pursued by the Conservatives, not by the Government. For years we have been setting the agenda that the Government are belatedly beginning to follow—

Madam Deputy Speaker: Order. The hon. Gentleman's time is up.

1.16 pm

Andrew George (St. Ives) (LD): Like the hon. Member for South-East Cambridgeshire (Mr. Paice), I am pleased that the Government have provided time to debate this important issue. I welcome the Government's belated statement on 13 January. I should also declare an interest as someone who has chaired an organisation called Grocery Market Action Group for the past four years. It has cross-party support and representatives from the National Farmers Union, the National Farmers Union of Scotland, Friends of the Earth, ActionAid, Traidcraft, the British Brands Group, the Association of Convenience Stores, the British Independent Fruit Growers Association and several other organisations with an interest in a competitive and effective food industry in the UK and in fair trade with suppliers in developing countries.

[Andrew George]

It is important to note that those organisations and others, who have watched how this sector has developed over the past 11 years of various inquiries by the Office of Fair Trading and the Competition Commission, and the original voluntary supermarket code of practice, are not criticising the supermarkets and their behaviour as being in some way criminal. Indeed, their activities have been entirely rational. It would be surprising if anyone in the position of the Sainsburys, Tescos and Asdas of this world did not take the fullest possible advantage of their impact on market—the OFT has described them as able to dictate market conditions. They are in a very powerful position and their behaviour is entirely rational. The issue that the competition authorities have considered over the years is whether those firms' use of power in the marketplace has turned from effective and clever into an abuse. The important work of the Competition Commission in an excellent report published in April 2008—and the length of time since then is one reason why people are getting frustrated—demonstrated that we are talking about a level of abuse. The Minister himself in his opening remarks referred to the transfer of excessive risk and unexpected costs, and that has been clearly demonstrated by the thorough inquiry by the Competition Commission. The inquiry stated that it has

"an adverse effect on investment and innovation in the supply chain and ultimately on consumers."

The last important point was left out of the Minister's comments. It is important that we have a market working in the interests of consumers.

Philip Davies: The hon. Gentleman is working on the premise that there are big, horrible, nasty supermarkets screwing poor, small suppliers into the ground. If that is the case, as he seems to think, and if his ombudsman is to deal with it, the only upshot will be that prices will have to go up for the consumer, because supermarkets pass on those savings to the consumer. How much extra is he happy for his constituents to pay in their shopping bills to meet his desire for an ombudsman?

Andrew George: That is a complete misapprehension and fails to understand how the market works. The Competition Commission has clearly shown that there are abuses within the supply chain and that suppliers are being pushed to the wall. That is during the deepest recession when the largest supermarkets are now posting record profits. It is not entirely unknown for the supermarkets to achieve record profits. Yes, there is a benefit for someone—and we all know where it is going. Whether that is, as the Minister said, the impact of retrospective changes in the unwritten contracts, the lack of notice in delisting, the holding of suppliers liable for losses due to shrinkage, or other overriders within the system itself, the fact is that the whole thing needs a serious review.

In January last year, we commissioned Roger Clarke of the Cardiff business school to undertake an independent investigation into the cost impacts on the supermarkets resulting from the application of regulation. He has since published a report for us. He made himself clear:

"While the creation of an Ombudsman will involve some cost (estimated at about £5-6 million per year) this is likely to be small relative to consumer benefits as a whole. As noted by the CC, the actual size of the food retail industry in the UK is £110. 4 billion and a 0.1 per cent. price fall for the largest 4 retailers is equivalent to a reduction in consumer expenditure of £80 million a year".

He also stated that

"the costs are likely to be minor compared to the benefits for consumers that arise."

Dr. Murrison: Does the hon. Gentleman agree that there might be some benefits for the British food industry in, for example, labelling, which supermarkets currently use in an adverse way? I mentioned the pork industry in my earlier intervention and the fact that the implication to consumers is that some products are British-sourced when in fact they are not. That clearly needs to be sorted out. Had supermarkets done that already, and not behaved as I am afraid that they have, perhaps some of us would be less enthusiastic now for an ombudsman to sort it out.

Andrew George: I am grateful for that extremely helpful intervention. One of the knock-on effects of the proposals would be greater transparency through the groceries supply chain, which would be to the enormous benefit of suppliers, and I think the supermarkets are now waking up and recognising that it would be in their interests as well. While there remains this uncertainty and while supermarkets continue to be accused of treating their suppliers in an adverse manner, the existence of an ombudsman would be of clear benefit to the supermarkets, because it would give them a clean bill of health—if there were no findings against them in a particular year. There would be a big benefit to them.

I know that the supermarkets have expressed concerns about a slippery slope and explained that it would result in further regulation. However, I do not think that that would be the case. I am concerned that the Government are opting for further consultation after 10 years. Clearly the supermarkets want to string this out for as long as possible. To reassure the hon. Member for South-East Cambridgeshire (Mr. Paice), this is not a price-sensitive initiative. Although my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) will continue to float ideas, I welcome the measure and hope that we can introduce it as soon as possible.

1.25 pm

Alistair Burt (North-East Bedfordshire) (Con): I am delighted to have the chance to speak in this debate. I echo the comments made by my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice). It is good to have such a debate in Government time and to welcome this belated food strategy. Many of the component parts, and certainly several of the good component parts, follow long-standing policy initiatives and issues set out by my hon. Friends on the Front Bench, in particular by my hon. Friend the Member for South-East Cambridgeshire, who has done such a tremendous job in his position over the years and speaks with knowledge and great integrity.

I would like to set out the background to this debate. As we know, British agriculture has had some difficulties over the years and trends in self-sufficiency have been poor. We reckon that we have lost self-sufficiency in indigenous food of about 9 per cent.—from 82 per cent. in 1998 to 73 per cent. in 2007. Most of us who represent rural and agricultural areas know of the problems

with livestock, the declining numbers of beef and dairy cows, and the pig industry. Many Members will remember the lobby by the pig industry a couple of years ago, which tried to alert the Government to the issues and problems, including the loss of 40 per cent. of the national herd between 1997 and 2008.

The background to the problems with food, farming and agriculture are well known to us and have over the years caused great distress to those who represent these areas. However, I would like to demonstrate the resilience of all parts of the food chain by looking at one particular constituency—my own—and seeing how, in many aspects of the Government's core objectives in the food strategy, my own constituency illustrates what can be done. It is simply a symbol for other areas that can do the same.

I start, however, with a matter that is particular to my constituency. I am lucky to have Peter Kendall, the National Farmers Union president, as a constituent of mine. He farms a well-known family farm in Eyeworth—a popular family and a popular man—and has been a far-sighted leader of the NFU. He has done some terrific things to accentuate the positive aspects of farming and to get the farming industry and farmers to proclaim what they can do, instead of always being seen sitting on the sidelines saying what cannot be done.

Jim Fitzpatrick: I am pleased to put on the record my personal commendation of Mr. Kendall and to endorse the sentiments outlined by the hon. Gentleman. However, given that there is an NFU election at the moment, I would not want to prejudice Mr. Kendall's chances or give any indication that there is a Government candidate in the election. I offer the hon. Gentleman an opportunity to say that this is a politically neutral election and that it is for the NFU members to make up their own minds.

Alistair Burt: The Minister has absolutely said what needs to be said. As Peter Kendall's Member of Parliament, I am entitled to give a more rounded endorsement that will not be coloured by any sense that it comes either from the Government or the official Opposition. It is simply a recognition of a man who has been an outstanding farmer in his own area and has taken those skills to the national level.

I remember the first speech that Peter gave to the NFU dinner in his home area after he became NFU president and how proud people were of him. He picked out a series of points that he said he would major on over the following few years. They included an understanding of the global issues facing agriculture, the number of people who needed to be fed over the next 30 to 50 years and the disappearance of agricultural land across the world. Not only was that an issue in itself, but it required us to think again about science and the relationship between science and farming. There were some easy things that people could say, but some hard issues to be faced by people who needed food, not warm words. He was very conscious of the UK's own food production and the issue to which I referred earlier—our self-sufficiency.

Above all, Mr. Kendall emphasised to the local NFU, to which I shall return in a moment, the importance of projecting a positive image of farming. I believe that he has done all those things. He was also keen to talk not only about UK farming, but about the EU, and to recognise the importance of the UK's relationship with the EU and how important it was to think of the EU collectively, as well as in relation to our national interest.

That issue is particular to my constituency, given Peter's position, but I want to illustrate how some of the companies and other businesses in the area work to fulfil the objectives of "Food 2030". We have Jordans in my constituency, which puts Biggleswade on the map—a town that, as all hon. Members present will know, is a fulcrum in Bedfordshire. Jordans was innovative in realising many years ago that food tastes—and particularly breakfast food tastes—were changing. People wanted a different, healthier breakfast cereal and they wanted it delivered in a different form, through energy bars and cereal bars. The family went out and developed them, and they built an extraordinary business.

Jordans has a great relationship with farmers, as all food producers must. The company pays a premium to farmers to plant 10 per cent. of their land with nature-friendly habitats to conservation-grade standard. Jordans has been a pioneer, it works in healthy food, it is innovative, and it relates to its consumers. The current campaign on its website is about encouraging its customers to think about putting spare food into a compost bin at the end of day, instead of throwing it away. Jordans recognises the importance of the food chain right the way through.

As we are talking about vegetables and food waste, let me say that I recognise what my hon. Friend the Member for South-East Cambridgeshire said about the need to use energy, through the work of Biogen and anaerobic digestion. Biogen is one of the companies he talked about that is taking a lead on the issue, turning food waste into power. The company is based in Milton Ernest in my constituency. Through pig slurry and food waste, it produces 1 MW of electricity a year—enough to provide continuous power and electricity to 800 or 900 houses. That is a perfect example of small-scale microgeneration. When we hear the big arguments about onshore wind, for example, we say to people, "There may be an alternatives. Renewables are not all about wind farms. There are other ways to go about it." Plants that use anaerobic digestion—the conversion of waste into methane and, ultimately, electricity—is a perfect example. I therefore share the concerns that my hon. Friend expressed about regulation.

Mr. Paice: I just want to clarify that the company to which I was referring in my speech was indeed Biogen, because it has contacted me—as I am sure it has my hon. Friend—to express its great concern that the Department of Energy and Climate Change is proposing to renege on its agreement on renewables obligation certificates. That means that the financial deal that the company entered into, and on the basis of which it made its original investments, no longer necessarily holds. Those investments would never have been made on that basis, and certainly none will be made in future.

Alistair Burt: I am grateful to my hon. Friend, in what might be the sting in the tail of this crafted speech, for illustrating what my constituents are doing. In that way we come full circle, to some of the problems that they are facing and how, despite the Government's intentions, as set out in their paper, their actions do not always ensure the ends that they seek. They say one

[Alistair Burt]

thing, but are doing things that make life more difficult for those whom they want to encourage. My hon. Friend has picked out a perfect example of that. I commend the Ibbett family and Andrew Needham at Biogen for all they are doing to pioneer renewable energy in that way.

Before we get on to vegetable waste, however, we start with the vegetables themselves. Bedfordshire, an area noted for the growing of vegetables, also has people who recognise that, with different shopping and working habits, we need to retail in a different way. My family and I get our vegetables every week in a veg box from Garden Friends. There is no unnecessary packing, and we get vegetables that are locally produced, where possible, and seasonal. The whole family get a chance to eat slightly different things and cook different things according to season, using locally sourced products. Garden Friends has now expanded, with a farm shop based in Roxton in my constituency. I commend Val and Mark for the work they are doing, but they are not the only ones to have pioneered that form of retailing, recognising the changing culture. They too are working hard to fulfil the Government's objective of providing healthy food in a sustainable manner.

Right at the other end of the scale from Jordans, a national company with a strong export record, and Garden Friends, which operates on a small scale, is Unilever, the multinational. Unilever's main food science research establishment is based at Colworth park in north Bedfordshire. It is a remarkable establishment, containing the most northerly tea plantation in the world—Lipton is the brand—and looking after such wonderful things as ice cream and so on. In the recent restructuring of Unilever, I was delighted that Colworth park remained in what is now a handful of world renowned research establishments. The work done at Colworth park fulfils the Government's aim in key point six of their strategy, which talks about

"Increasing the impact of skills, knowledge, research and technology".

Unilever is looking at how to take the bad fats out of food—the trans fats and saturated fats—and ensure that only the good fats remain, as well as how to present food in a healthier manner and how to take existing brands and make them better. Unilever also looks at new products to ensure that they are safe.

Colworth park is developing: it is becoming a science park. I am delighted to say that the Institute of Food Research will have a presence there from next year. That fits in with Bedfordshire's overall strategy to be part of what we call the Oxford-Cambridge arc and—to use another geometric symbol—part of the golden triangle, of Oxford, Cambridge and Imperial college London, where science and technology is based. Unilever's presence is therefore key; but again, in just one constituency, we have research and development, and the multinational, the local, the farmers and the growers. Despite the difficulties of food and all the problems over the years, we can see in just one constituency the people, the skills and the talent needed to combat them.

There is one final link in the chain: us eating the food. I pay tribute to the growing number of farm collectives that are being set up to market their produce. There is one in London called the Farm Collective, a deli in Smithfield where this morning I had a really good bacon roll and a nice cup of coffee. Everything is British-sourced—the provenance is there to see, and we can trace it through. *[Interruption.]* The hon. Member for Croydon, Central (Mr. Pelling) raised an eyebrow when I mentioned coffee. That point is tackled in a little note produced by the Farm Collective, which says:

"At the Farm Collective we represent a new movement in food. Our ingredients are sourced by us from British farms (ok, coffee is tricky but the award winning Square Mile Coffee Roasters take care of this for us)."

I think that the Farm Collective can be allowed a little leeway on coffee. I know all that from having my bacon roll and coffee there this morning with my son Mat, who is working there for a few months, and I thought that I would put it on the record. I hope that I do not have to declare an interest, Madam Deputy Speaker, as that young man begins to make his way in the world. All those examples show what can be and is being done in our food industry at all levels to deliver not only the Government's objectives, but what the consumer is looking for.

Finally, let me return to my local NFU branch, which I met last week, because that is where the rubber meets the road. Despite everything that I have said about the positive attitude of farmers, what they want from the Government is to ensure that warm words are followed by action. To say that they are suspicious of the current Government is a bit of an understatement, as I am sure that the Minister would acknowledge. Farmers have been through a tough time, and after all that time they are not sure whether everything put forward in the strategy will be delivered. For example, there are conflicting messages. Farmers are being asked to produce more food, but the Government are still ambivalent about some of the pesticides and chemicals that can be used, and that worries them. We cannot take the science out of farming. Farmers need a clear lead on that issue. Why has it taken so long to get the supermarket ombudsman up and running? The issues between farmers and supermarkets predate the current Government—things have been exceptionally difficult—and they are worried that everything has taken so long.

Andrew George: One point that I did not have time to expand upon was about that very relationship. The proposal for a supermarket ombudsman deals only with the ultimate supplier and the supermarket. What is required under that proposal—I hope that the Minister will address this in his summing up—is something to ensure that issues can be investigated right through the supply chain, up to the farmer and the grower. Does the hon. Gentleman agree?

Alistair Burt: Yes, the hon. Gentleman makes a fair point. Part of the problem is that this process has had such a long gestation period, and we still do not know exactly how it will work. My hon. Friend the Member for South-East Cambridgeshire was kind enough not to suggest that we had prompted the Government into action with our own announcement just a few days before they made theirs in Oxford. Perhaps they had not thought the matter through at that point. The details need to be worked through, and I am confident about the contribution that my hon. Friend will make to enabling those details to become a practical reality.

Why has there been such a long delay on labelling? The problems with meat labelling raise serious issues for those who rear and produce food in this country. They have to abide by health regulations, and they face competition, but that is nothing new. It was not enough to hear a squeak from the Government just before Christmas to the effect that this matter was moving on to the agenda. It is no wonder that my friends in the local NFU are suspicious. They really want to see something delivered on this; they have been waiting too long.

Finally, when will the Government truly understand the problems associated with gold-plating directives? We hear all the talk on this. Indeed, I was questioned heavily by members of the NFU on my own party's position on this, because they hear the same talk. They want a Government who understand the damage that gold-plating and over-gilding the regulations can do. Open Europe has estimated that the cost of regulation has tripled for the farming industry since DEFRA was formed in 2001. That tells its own story.

I am grateful for the time that I have been allowed this afternoon. I hope that I have managed to illustrate what one typical rural constituency can do, right the way through the chain from the largest company to the smallest, from those who work on an international scale to the individual suppliers, from research to growing, and from retailing to consuming and to dealing with the waste remnants in an innovative fashion. People are looking for a Government who will understand what they are about and work to help them and deal with the conundrums that I have raised, to which they want real answers. I am confident that, in a short time, they will have a Government who will do just that job.

1.42 pm

Philip Davies (Shipley) (Con): I will try to be brief. I know that the hon. Member for Croydon, Central (Mr. Pelling) wants to speak, and I want to give him enough time to set out his stall as well.

I want to focus on the proposals for a supermarket ombudsman. I am afraid that the debate so far on this issue has been familiarly depressing. Debates in this place seem to follow the same old routine. First, an outside body makes a recommendation about something. In this case, it was the Competition Commission, but it can be Select Committees or other bodies set up by the Government. Whatever happens, we seem to take the view in this place that, whenever such a body produces a report, we all have to stand up and say, "Wasn't that a marvellous report? We can't think of anything bad to say about any of the recommendations, and everyone's done a wonderful job." We build up a cosy consensus in this place based on the fact that no criticism can ever be made of any report done by anybody about anything.

I do not share that view. Are we really saying that we are happy to give the Competition Commission a blank cheque, that we are going to agree with everything that it comes up with, and that it must be marvellous simply because the Competition Commission says so? That appears to be the nature of the debate that we have had on this matter so far. Everyone seems to have said, "This must be a good thing because the Competition Commission says so." Some of us have thoughts and experiences of our own, however. I am not sure how much experience of the supermarket industry other hon. Members have had. I am one of the few who has spent a number of years working in it, and I would like to use the short time available to expose a few of the myths that have grown up around this subject in the House.

I do not know whether it is a particularly British disease, but we seem to have a need to knock every successful industry in this country. We try to knock down any industry that reaches a certain size and level. We should be incredibly proud of our supermarket industry. It employs hundreds of thousands of people. Indeed, it employs people in each hon. Member's constituency, although I am not entirely sure whether some have any great desire to see those people in work. Supermarkets also provide a very good service to tens of millions of customers each week.

Jim Fitzpatrick: There have been two intensive investigations involving examinations and consultations by the Competition Commission, and the Front-Bench teams of all three parties concluded that there was evidence to suggest that something was wrong and that we needed a code of practice. We introduced a code of practice, but it did not work very well, so we tried to strengthen it. We have now all concluded that there needs to be a means of enforcing it. Does the hon. Gentleman acknowledge that he might perhaps not be right on this, and that there is another side to the argument?

Philip Davies: I do not doubt that there is another side to the argument; that is the side that I am trying to give. We have only heard one side so far. The Minister might believe that, because there is a cosy consensus between all the main parties, everyone is right. In my experience, however, such cosy consensus usually means that everyone is wrong. I do not know whether you will allow me the luxury of giving the House a catalogue of examples, Madam Deputy Speaker. It would include joining the exchange rate mechanism and setting up the Child Support Agency. I could go on, but I will not. Just because all those on the three Front Benches agree on something, it does not necessarily follow that it is right. I am grateful to the Minister for letting me put the other side of the argument.

The supermarket industry is incredibly successful. Why is this? Everyone is so concerned about it being too powerful, but how has it got to the state that it is in? It has done so because it does something that we should encourage all businesses to do: it offers the customers who voluntarily go through the supermarkets' doors—I am not aware of any that use a lasso to drag people in to shop against their will—a wide range of products that they want to buy at a price—

Mr. Andrew Pelling (Croydon, Central) (Ind): It has a big market share.

Philip Davies: The hon. Gentleman will have an opportunity to speak, if he calms down. If he does not, I might have to go on for too long, so that he does not get a chance. I urge him to calm himself down for a second.

Madam Deputy Speaker: Order. May we have the debate conducted in an orderly manner?

Philip Davies: Thank you, Madam Deputy Speaker. I am grateful for your support.

Mr. Pelling: Will the hon. Gentleman give way?

Philip Davies: I will.

Mr. Pelling: Let us do this properly. Would it not be possible to argue that supermarkets go for a large market share and act in an oligopolistic manner, which might go against the interests of suppliers and, indeed, consumers?

Philip Davies: If the hon. Gentleman will allow me to continue, I will come to the details in a moment. I want to address those issues as well. At the moment, I am merely setting the scene.

Supermarkets sell the products that people want to buy at prices that they want to pay. That is why they have become so successful. No supermarket starts out as a huge multinational company. All businesses start out as small businesses, as did all the supermarkets. They became big businesses by looking after their customers and their employees and, to a large extent, by looking after their suppliers.

One element that seems to have been conveniently forgotten in this debate is that supermarkets sell products, and that those products come from suppliers. If the supermarkets did not look after their suppliers and build up a good relationship with them, they would end up with nothing but fresh air on their shelves. They would have no business without suppliers. In the real world of retail, things can go wrong. A supplier could have a problem, perhaps as a result of a health scare, or of foreign objects being found in their products. Supermarkets desperately need to have a good relationship with their suppliers at such times, so that they can go to another supplier and say, "We've got a problem at that factory. Can you increase overnight the amount you can supply to us, because we're in a bit of a pickle?" If supermarkets did not give a stuff about their suppliers, and if all they were interested in was screwing every single one of them into the ground as much as possible, they would never be able to rely on that kind of good will. Anyone here who thinks that supermarkets can not only survive but thrive without building up good, close relationships with their suppliers is completely misguided, and miles off the case. That is a ludicrous thought.

Mr. Martlew: I worked in the food industry for more than 20 years. If the hon. Gentleman is correct, why do we get copycat products—own-brand products—with very similar packaging to the branded goods appearing on the supermarket shelves beside the branded goods? If the supermarkets want to keep a good relationship with their suppliers, why do they try to copy the packaging of the branded goods?

Philip Davies: The hon. Gentleman may think that all of his constituents are stupid and cannot tell the difference between an own-brand product and a branded product. He seems to follow the theme of what this Labour Government think—that everybody is so stupid that the Government have to decide everything for them—but I actually have more faith in consumers. I think that my constituents, who I am not entirely sure are greatly different from the hon. Gentleman's, are perfectly able to decide whether they want to buy an own-brand product or a branded product, as they can tell the difference between one that says Tesco on it and one that says Kellogg.

Mr. Martlew: The hon. Gentleman's language about my constituents being stupid is offensive, Madam Deputy Speaker, but I am used to him being offensive. If the supermarkets do not want to deceive, why do they do it?

Philip Davies: I was not saying that the hon. Gentleman's constituents are stupid; I was saying that he seems to think his constituents are stupid. I do not think they are, which is why I do not think that we need to intervene, as they are more than capable of distinguishing a packet that says Tesco on it from a packet that says Kellogg on it. The hon. Gentleman obviously does not think that they can.

Mr. Pelling *rose—*

Philip Davies: I am going to press on, as I want to allow the hon. Gentleman time to elaborate his views later.

I do not accept the premise that supermarket businesses are built on screwing suppliers into the ground and on not having a good relationship with their suppliers. To my mind, that would be nonsense.

I will say in passing that the idea that we need an ombudsman to improve innovation in the food industry is laughable. We have a hugely innovative industry, so the idea that the ombudsman is essential to promote innovation in the industry is absolutely and utterly ludicrous. The ombudsman is being set up, it seems, on the premise that we have big, horrible and nasty supermarkets screwing their suppliers into the ground on price. The only possible upshot of a successful ombudsman, for those people who want to set it up, is that supermarkets will pay more to their suppliers for their goods. The only consequence of that is that the price to the consumer will go up.

I would not mind this so much if we had an honest debate in this House. If people stood up and said, "I believe in a supermarket ombudsman; the likelihood is that it will put prices up by x per cent. but, overall, that will be beneficial to the country as a whole", that would be fine. I might disagree, but at least it would be an honest debate. Instead, we are offered something from cloud cuckoo land—I think Sir Alfred Sherman described that as politicians always offering "painless panaceas", and here we have our latest painless panacea. The painless panacea is this: we can have a supermarket ombudsman, which has the support of all three Front-Bench teams, who looks after suppliers, makes supermarkets pay more money to them, but, crucially, the upshot will be a lower price for the consumer. I do not think that many people would have to study that proposal for very long before they knew that that is patently and utterly ridiculous. If people want supermarkets to pay more to the suppliers, that is a perfectly legitimate point to argue, but at least have the honesty to accept that the only possible outcome is to put up prices to the consumer.

Mr. Christopher Chope (Christchurch) (Con): As always, my hon. Friend is putting forward a brilliant analysis. Does he accept that in dealing with the protection of consumers, the Government —and the Opposition, for

that matter—would be much better exercised if they attacked the common agricultural policy, which adds the best part of £1,000 a year to the food bill of a family of four?

Philip Davies: My hon. Friend is absolutely right. We have this ludicrous situation in which the parties are trying to bring in measures supposedly to help suppliers and consumers, while on the other hand the Government are party to the common agricultural policy, which puts great costs on consumers, while producers and food suppliers are facing more and more regulations that are probably a bigger problem than anything that supermarkets might do to them.

Mr. Pelling: I am enjoying the hon. Gentleman's speech. Is there not a danger with this new scheme of failing to recognise that the suppliers can be quite strong and are sometimes large international corporations themselves? It may well be that the new system benefits only the likes of Unilever or, to mention the company that I am associated with, Nestlé.

Philip Davies: The hon. Gentleman is right. I was going to come on to that point, but I shall touch on it now. The fact of the matter is that the biggest supermarket chains in the country, on which the efforts of the new ombudsman will be focused, have big suppliers by definition, as those suppliers are the ones who can produce the stuff in sufficient quantity to get it across the country. By definition, then, big supermarkets tend to have big suppliers. Many of those suppliers are huge multinational companies in their own right.

In fairness to my hon. Friend the Member for Arundel and South Downs (Nick Herbert), he has recognised the issue and wants an ombudsman to look at smaller suppliers rather than suppliers per se; I give credit to my hon. Friend in that regard. However, we could end up with a ridiculous situation in which an ombudsman intervenes on behalf of a huge multinational food company that is actually bigger than the supermarket. In many cases, we should congratulate supermarkets on being hard-nosed in making big multinational companies reduce their prices for the benefit of the consumer rather than building up even bigger profits for themselves. Some pharmaceutical companies, for example, are massive and have huge marketing budgets.

Another myth is that supermarkets persuade suppliers to do special offers and make the supplier pay for them. The fact is that suppliers fall over themselves to provide special offers for supermarkets. They say to the supermarket, "Please can we do a 'buy one, get one free' offer on our product?", because it is part of their marketing budget. They use those huge budgets to urge supermarkets to make such offers, and they are quite happy to pay for them, because it helps to build their market share. In my time at Asda, I might add, we used to say to suppliers, "Rather than you coming to us with 'buy one, get one free' or 'three for the price of two' offers, why not just have a long-term reduced price?", so that rather than the people who buy the product in that particular week or month or families of five or six benefiting, every single customer benefits from an overall lower price. It is not supermarkets that force suppliers into these deals; it is often the suppliers themselves who are insistent on those special offers. It is another misapprehension.

Mr. Paice: I hesitate to intervene on my hon. Friend—clearly, we are not going to agree on all fronts—but I entirely share his view that if a supplier wants to do a "buy one, get one free" offer, it is a matter between the supplier and the supermarket. My concern, however, is where the supermarket goes to the supplier and says, "We have decided to do one of these offers and you are going to fund it." Does my hon. Friend think that that sort of retrospective impact on a supplier, which the code of practice is designed to get rid of, is fair? Another issue is the principle of retrospective discounts, where at the end of the financial year—I know this from first-hand experience of businesses in my constituency—supermarkets decide that they have paid suppliers too much for potatoes, onions and carrots over the year, so they demand big cheques, some of which have run to seven figures.

Philip Davies: I am genuinely sorry that my hon. Friend has come to that conclusion. What he is proposing is an ombudsman to rule on contracts and deals between two private enterprises—on one side a supermarket, on the other a food producer and supplier. I am not at all surprised that the Labour Government would want to stick their noses into every contract entered into between private businesses, as that is their rationale in life—the state has to stick its nose into everything. I am not surprised either that the Liberal Democrats follow the same tack, as they think that there might be three extra votes for them in Cornwall, and anything that generates three extra votes anywhere will find favour with them. I am genuinely not surprised that those parties are jumping on this particular bandwagon, but I am genuinely disappointed that the Conservative party has reached the conclusion that the best way to proceed is for the state to interfere in private arrangements between one private company and another.

Where will it end? I might look at many contracts entered into by one company or another and think to myself, "Why has that clause been allowed in a contract. If it was my business, I wouldn't have allowed it." It is a matter for them. Will we start interfering in every contract between one private company and another to ensure that we think it is fair to both sides?

Andrew George: The hon. Gentleman makes a decent point with regard to the relationship between larger suppliers and the supermarkets. I would like a code of practice and its enforcement to cut both ways. Wherever evidence of unfair dealing exists, that should be rooted out, whichever direction it goes in. From my experience in the food production sector, particularly farming, I am well in touch with what is going on, as he is from his experience with Asda. Will he acquaint himself with the Roger Clarke report, which states that the remedy proposed is

> "likely to lead to more choice, better quality products and lower prices in some cases. Even very small price reductions and other benefits are likely to result in consumer benefits far outweighing the modest cost of the Ombudsman"

to the supermarkets? Surely he must accept that there are benefits to the proposal.

Philip Davies: The hon. Gentleman may take the view that if he reads something in a report, he must agree with it. I do not take that view. I think that the quote he has just given is utter drivel. He might be taken in by

[Philip Davies]

any report, written by anybody. The fact that something is in a report does not make it any more sensible than if somebody down the street said it without any evidence whatever; it is still drivel. I thought that he was going to say that I had a good point about the Liberal Democrats saying something just for three extra votes in Cornwall, but he disappointed me on that.

The proposal is ludicrous. It will have no benefit whatever for the consumer—quite the reverse. If we think about it for a second, the UK grocery market is worth about £130 billion a year. If the ombudsman managed to extract from supermarkets an extra 1 per cent. in payment for suppliers, an extra £1.3 billion a year in costs would be passed on to consumers. If people want consumers to have that extra bill, and if they think that it is a price worth paying to have the ombudsman, let them at least have the decency, courage and honesty to stand up and say so. What I cannot stomach is the idea that we can promote painless panaceas and that more regulation will benefit consumers, supermarkets and suppliers. Clearly, that is ridiculous; it will not happen. Although it comes as no surprise that the Government and Lib Dems have gone down that line of state intervention, I am genuinely saddened that the Conservative party believes that that is the way forward.

2.3 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I am grateful to the hon. Member for Shipley (Philip Davies) for giving me seven—I want to give the Minister time to respond—of the remaining 28 minutes available for this debate. As a confirmed Heathite, I naturally recoil when he rises to speak, but he has nevertheless highlighted some real difficulties with GSCOP. However well meaning government is, sometimes its good intentions are not only not delivered, but have malevolent unintended effects.

As the hon. Gentleman has said, GSCOP could end up strengthening the hand of large international corporate suppliers against the supermarkets. A great deal of work remains to be done on the code of practice and the role of the ombudsman, but it is important that we are reassured that that will not be the result. There are some good reasons for Government intervention, however, one of the most fundamental being food security. The Government's consultation on "Food 2030" recognised that as an important role for government. We must therefore hope that they realise the importance of watching the financial and agricultural markets. At the beginning of the recent equity rally in the City, huge amounts of money were invested in agricultural products, which had a hugely distorting effect on the markets, compromising food supply in certain parts of the third world. There is an important means of intervention in that area.

There is a recognition that what we eat is what we are. In that regard, government has an important role in monitoring what goes into our food system. The hon. Member for North-East Bedfordshire (Alistair Burt) raised the important issue of trans fats. In relation to that, obesity is an issue of concern. Many people suffer from that condition in my constituency and in Croydon, South, and they are unable to get effective operations from the NHS to deal with it.

My constituency has only one farm, so it can hardly be said to have a farming interest. Nevertheless, it has significant food interests. Nestlé UK, which is based in Croydon, is by far the biggest employer in the constituency. I am sure that the prospects for Nestlé are greatly enhanced by the unfortunate situation of Cadbury, a debt-free company that believed strongly in philanthropy, which has been bought at a price that will not prevent asset stripping from greatly damaging it. Nestlé, however, is an extremely good citizen in Croydon and takes very seriously corporate responsibility. The company has been the subject of great criticism in the past, and, amazingly, was attacked by my predecessor as Member of Parliament for Croydon, Central. I believe, however, that it has very high standards and is a typical triple A company.

Croydon has important food interests in other ways. It has a large black and minority ethnic community and their involvement in importing many products from abroad has an important food role and is an important part of our economy. On the London road just across the constituency border in Croydon, North, the diversity of products available means that one can shop the world.

For Croydon, food is also an important green issue. The Heathfield ecology unit and other community activities strongly push the importance of community foods. Food is seen as an important part of securing status for New Addington as an eco-town. We also benefit from many good fish and chip restaurants, especially McDermott's and Top Fryers.

If we are to have competitiveness in our food industry, we can no longer afford, under the aegis of the European Union, a wasteful and expensive common agricultural policy, or a fisheries policy that causes appalling environmental damage. We should move away from the current EU fishing policies to the effort-based ones of the Faroe Islands, where fisheries bid for an amount of fishing time. That would avoid a situation in which huge amounts of fish are thrown back into the oceans.

From the point of view of the consumer, the "buy one, get one free" approach is extraordinarily discriminatory against those in small families and particularly the elderly. It is unreasonable that they see in shops that if they buy a smaller amount they will suffer a significant financial loss compared with others. We also need to consider the strength of large organisations—for example, Tesco—vis-à-vis local authorities. They are often dominant, and through use of section 106 agreements they can dominate their way into communities. In New Addington, there was a great deal of controversy over a development that would not have been in keeping with the area, although I am sure that, despite pulling out of New Addington several years ago, Tesco would be welcome with a more modest scheme.

Tesco's moves into corner-shop territory sometimes compromise good business in the shape of small providers, typically south Asian families. In Woodside Green in Croydon, the branch of Londis run by Mr. Patel is threatened by the establishment of a Tesco Express only about 500 yards from the nearest one. Supermarkets should exercise balance and discretion.

I recall a most enjoyable visit to New Covent Garden with the Minister and the Secretary of State to inspect regional British foods. We should celebrate the added value that can be provided by the specialisms of British

food manufacturers, and we should also bear in mind the importance of regional foods in reducing the number of food miles. We should pay attention to what is put on our plates here in London. The Minister was, of course, an excellent Minister for London.

Many regional food businesses provide employment for my constituents. We may have only one farm, Heathfield farm, but many of the wineries that have grown up in Surrey provide important employment as well.

2.11 pm

Jim Fitzpatrick: I am grateful to the hon. Member for Croydon, Central (Mr. Pelling) for allowing me time to respond to some of the issues that have been raised, and, indeed, to his own observations on "Food 2030". I, too, recall the recent celebration and promotion of the best of British regional food at New Covent Garden, and I know that Members in all parts of the House would endorse his comments on that. He also raised genuine concerns about the Cadbury-Kraft situation. I hope that my earlier remarks reassured him that, as my right hon. Friend the Prime Minister said yesterday, the Government are taking the closest interest in looking after the well-being of the business, its staff and, indeed, UK plc.

The hon. Member for South-East Cambridgeshire (Mr. Paice) began by asking when we last debated these issues in Government time. During my first week as Minister of State, we had two agricultural debates, one in Government time and the other on an Opposition motion. I assure the hon. Gentleman that such debates happen, and hopefully we shall have opportunities for further debates before the general election.

The hon. Gentleman suggested that "Food 2030" represented an acknowledgement by the Government that we had got it all wrong before. That is not, of course, the case. What "Food 2030" says is that the world has moved on. We have experienced the food price spike of 2008, climate change has been taken more seriously and population change has featured, among other factors. "Food 2030" is the first major food strategy document in, I believe, 60 years, a period that encompasses a good deal of Conservative as well as Labour Administration time.

We have discussed the honesty of country of origin labelling before. As the hon. Gentleman knows, we have supported the recommendations of the pigmeat taskforce, more accurate labelling by retailers of the products on their shelves and the European Commission's attempts to improve country of origin labelling. We have discussed developments in Europe as well, and, as we know, there has not been a European vote on the issue. Last year, the French suggested compulsory labelling of non-processed foods, but the suggestion was a bit unclear and woolly. We will continue to support the Commission's efforts in Europe.

Total UK public spending on food and farming research amounts to about £350 million. I should be interested to know how much the Opposition parties think it ought to be and whether they are committed to a larger sum, but in any event we will increase our spending over the next five years.

The hon. Gentleman asked about the banning of battery cages by 2012. As I think I said at the most recent DEFRA Question Time and will, I suspect, say again on 1 February, we fully support the 2012 ban and will continue to press the Commission on it. We will do what we can to protect the British egg sector against any fall-back by the Commission. As far as we know, there has been no formal application for non-implementation of the ban, and we will work to ensure that it is implemented.

The bronze level of the healthier food mark still requires meat and meat products to meet Red Tractor or equivalent standards, although other products, such as dairy products, fruit and vegetables, have been moved to the "potential" list, because those running the healthier food mark scheme considered the Red Tractor standard to be too complex and costly to implement. A consultation on the Red Tractor healthier food mark will begin shortly, but it is not strictly accurate to say that the scheme has been dropped.

The draft Bill on responsibility and cost-sharing will be published soon, and the advisory group chaired by Rosemary Radcliffe will give its view at the end of the year. We are keen for there to be as much scrutiny as possible, because we recognise the issues that are at stake.

I believe that the Secretary of State has made a written statement about the infected Romanian horses, but if that is not the case I will write to those on both the Opposition Front Benches to ensure that they are aware of the facts. Because the situation arose only this week and is still developing, it is possible that no formal position has yet been outlined.

I noted what the hon. Gentleman said about other Departments and food waste, and I will act on it.

We had a good discussion with the hon. Member for Shipley (Philip Davies) about the ombudsmen and costs. We do not believe—

2.16 pm

One and a half hours having elapsed since the commencement of proceedings, the motion lapsed (Standing Order No. 24A).

Sitting suspended (Standing Order No. 20).

Bournemouth Borough Council Bill [*Lords*]

Consideration of Bill, as amended

Mr. Deputy Speaker (Sir Michael Lord): It will be for the convenience of the House if the amendments relating to the Manchester City Council Bill [*Lords*] be debated together with those relating to the Bournemouth Borough Council Bill [*Lords*].

3 pm

Mr. Christopher Chope (Christchurch) (Con): I beg to move amendment 2.

Mr. Deputy Speaker: With this, we will take amendments 3, 74, 7, 24, 8, 25, 9, 26, 10 to 12, 27, 13, 14, 28, 15 to 17, 29 to 31 and 18 to 23 to the Bournemouth Borough Council Bill [*Lords*], and amendments 2, 3 to 5, 34, 9, 26, 10, 37, 11, 28, 12 to 14, 29, 15, 16, 30, 17 to 19, 31 to 33 and 20 to 25 to the Manchester City Council Bill [*Lords*].

Mr. Chope: It is a pleasure to move amendment 2, which is supported by four hon. Friends. With it, we will discuss 27 other amendments on the Bournemouth Bill and 28 on the Manchester Bill. In this debate, it will become apparent that the amendments go to the heart of the concerns that have been expressed by many people about the wide-ranging content of the Bills and the potential impact on the livelihoods and very survival of pedlars the length and breadth of the country.

Amendment 2 needs to be considered with other amendments, but it is designed to ensure that pedlary and trading are treated as separate activities. For too long, some councils have equated street trading with pedlary and, by extension, rogue and unlawful street trading with lawful pedlary. That is at the root of the problem. That issue is addressed in the detailed amendments to clause 5, which I shall discuss shortly. However, I shall take the amendments sequentially, so I shall start with amendment 3, which would delete clause 4.

I tabled amendment 3 because clause 4 extends the application of the Local Government (Miscellaneous Provisions) Act 1982 to services. For example, as we have discussed during earlier stages, services might include teeth whitening, or applying an artificial tattoo to someone's skin. Since the Bill was drafted back in 2007, however, there has been an important legislative development—the implementation under UK law of the European Union services directive by means of a statutory instrument. I had the honour to chair the Committee that considered the statutory instrument. Under the directive, which came into effect on 31 December last year, pedlars of services only will no longer need a pedlars certificate, and those obtained by pedlars of services before the changes came into effect will continue to apply until they expire.

I tabled amendment 3 to try to draw the Minister on the important issue of the interaction between the services directive and pedlary, and the provisions in the Bill. That point was referred to briefly last week on Third Reading of the Nottingham City Council Bill and the Canterbury City Council Bill. My hon. Friend the Member for Canterbury (Mr. Brazier) said, in a throwaway line, that he thought that the advent of the services directive had made the extension of the Bills to cover services redundant. Since then, I have received a letter from the agents acting for the promoters of the two Bills before us today stating that they assume that the effect of the services directive interacting with the rules relating to pedlars will be different. However, the whole issue is up in the air. By proposing that we leave out clause 4, I thought that we could try to probe the representatives of the promoters in the Chamber or the Minister on the interaction with the services directive.

The importance of the services directive is that it enables people who are supplying services and resident in other parts of the EU to come to this country and continue supplying those services without inhibition or legal restriction. To carry on activities as a pedlar in the UK, the person concerned needs to obtain a pedlars certificate, which they can from any police authority in the land if they can establish that they are of good character. Importantly, however, they must also establish that they have been resident for some time at a fixed address within the area of the police authority to which they applied for the pedlars certificate.

The provision relating to pedlars is at odds with the services directive, because it is regarded by the EU as an unreasonable restraint on the right of somebody to work wherever they wish within the EU. UK law currently states that one can engage in pedlary only if one is resident and has a fixed abode in the UK; one does not have to be British, but one has to show evidence of residence here. So at the very time that the services directive has been brought into law, we have before us a Bill that purports to extend the scope of pedlary to services. I find that rather confusing. It seems to me that clause 4 is probably redundant.

Much of the stuff that comes from Brussels is pretty impenetrable to people of ordinary intelligence such as Members of Parliament. Perhaps the Minister, with the benefit of legal advice from people who are better remunerated and wiser, will be able to guide us through the interaction of the services directive with pedlary and explain to us whether, in the light of its implementation, he too believes that clause 4 is redundant and superfluous, not to mention rather confusing.

Sir John Butterfill (Bournemouth, West) (Con) *rose—*

Mr. Chope: I am delighted to see that my hon. Friend is going to enlighten me about that.

Sir John Butterfill: Surely leaving out clause 4, which would extend the Local Government (Miscellaneous Provisions) Act 1982 to the provision of services in the street, would do the very reverse of what my hon. Friend is suggesting, because there is no residency requirement under that Act. Extending it in that way would be helpful to pedlars, rather than the reverse.

Mr. Chope: I hope that my hon. Friend will be able to explain that point more clearly to me. As for the application of the 1982 Act, my understanding is that Bournemouth borough council is seeking to take more control over people who provide services than it has under existing law. I find it hard to understand how that will be in the best interests of pedlars.

Mr. Tobias Ellwood (Bournemouth, East) (Con): We have had Bills from councils in other areas across the country, which are already in place as Acts and have

been for a number of years—we are in one such area now: London has the exact legislation that we are seeking in Bournemouth—and they are also subject to the 1982 Act, to which my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) referred. I am not aware—perhaps those on the Front Bench can illuminate this point for me—of any requirement to change legislation in any of those places, whether it be London, Liverpool, Maidstone, Leicester, Medway or Newcastle. All those places have had their own borough council Bills, which is what we are seeking today. All have been able to work with the same legislation, despite the 1982 Act.

Mr. Chope: I am grateful to my hon. Friend for that, but I am not sure that he understands my main point, which is that since the 1982 Act was introduced we have had the services directive, which came into effect on 31 December. Although other local Bills might have been enacted with equivalent provisions to those contained in clause 4, I do not think that it is open to Parliament—my hon. Friend the Member for Stone (Mr. Cash) has different views about this—to bring forward legislation that is inconsistent with a European directive.

Dr. Andrew Murrison (Westbury) (Con): Is my hon. Friend therefore saying that since the enactment of the services directive, the measures to which my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) referred have become ultra vires?

Mr. Chope: I think I am saying that, yes. The implementation of the directive serves as the automatic repeal of those provisions, which is why I cannot understand why, when we are considering a Bill that is not yet on the statute book, we should be seeking to put provisions such as those in clause 4 into law, in prima facie breach, in my view, of the services directive.

Mr. Peter Bone (Wellingborough) (Con): May I offer some clarification? We could not place restrictions on doctors coming in from the European Union and offering their services. That has been made clear despite what the General Medical Council might wish to do. Is not that the kind of thing that we are talking about? If the services directive is in force, people have the right to bring their services here, so this restriction would be ultra vires under European law.

Mr. Chope: I am delighted that my hon. Friend's interpretation is the same as mine.

The Government are consulting on a document at the moment. It was issued by the Department for Business, Innovation and Skills on 6 November 2009, and it is entitled "A joint consultation on modernising Street Trading and Pedlar Legislation, and on draft guidance on the current regime". On page 29, there is a whole series of paragraphs under the heading "Services Directive". Paragraph 113 might be of particular interest to hon. Members, because it states:

> "Incidentally, we understand that those local authorities who apply street trading licensing to service providers are required to justify that those regimes operate within the requirements of the Services Directive. If they are unable to do so those authorisation schemes will need to be removed insofar as they apply to service providers."

3.15 pm

Mr. Edward Leigh (Gainsborough) (Con): Is my hon. Friend therefore arguing that a pedlar who is an EU citizen who is stopped in Bournemouth could appeal under the services directive and carry on trading in Bournemouth high street, but that a home-grown English pedlar who could not appeal under the directive could be driven from the streets? Would not that be unfair?

Mr. Chope: It would certainly be unfair, if that were the position. I am not sure that my hon. Friend's interpretation is quite correct, however. The pedlar would have to be offering services, rather than trading, within the terms of the legislation relating to pedlars. If he were offering services, and came under the category of service provider, that would be exactly the sort of jeopardy in which he would be placed.

Paragraph 114 of the consultation report from the Minister's Department states:

> "It may be possible to institute a national system of authorisation for service providers within the requirements of the Services Directive although we are conscious that our justification for imposing such a scheme may be challenged in respect of the qualifying criteria. However, we are of the view that attempting to introduce such a system in respect of a small number of pedlars of services only, would not be a proportionate response to any perceived detriment which may result from the situation where no certification or authorisation scheme exists."

That paragraph seems slightly self-contradictory.

Paragraph 115 states that

> "the Services Directive applies stricter tests in relation to authorisation schemes in respect of temporary providers of services in the UK to the extent that any scheme which might be capable of applying to established pedlars of services could not apply to temporary pedlars of services visiting the UK."

That relates to the point that my hon. Friend the Member for Gainsborough (Mr. Leigh) has just made. The paragraph continues:

> "This inconsistency of application would be unfair to established pedlars and would introduce significant enforcement difficulties."

So, there is a real issue here.

I know that my good hon. Friends the Members for Bournemouth, East (Mr. Ellwood) and for Bournemouth, West (Sir John Butterfill) are sceptical about some of the arguments that I deploy on this legislation—both of them have intervened on me on this point—but I hope that we will be able to get an answer from the Minister on this question. It will be relevant not only to the two Bills that we are discussing today, but to the two that we discussed last week, which are now on their way to the other place, as well as to the other two Bills on the Order Paper, which we are not discussing at the moment.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I follow the hon. Gentleman's argument on the services directive; I shall wait to see whether it is right or wrong. If the services directive were not in force, would he still wish to strike down this clause, or would he be content with it?

Mr. Chope: In fairness, I have not at any previous stage of our debates on this Bill raised an issue about clause 4. I was alerted to the issue only after reading the Government's consultation paper and having had the privilege of chairing the Committee I mentioned. In fairness to myself, and perhaps to the hon. Gentleman's

[Mr. Chope]

surprise, I would not otherwise have sought to amend clause 4 in respect of pedlars providing services. I hope that that clarifies the matter. It is an issue on which we look forward to hearing the Minister's views so that we can make a judgment. It is implicit in what we have heard so far from my hon. Friends who represent Bournemouth constituencies that the promoters of the Bill believe that it is right to go ahead with clause 4, notwithstanding the advent of the services directive.

I now move on to deal with the large number of amendments that we are debating in tandem with amendment 2. I start with amendment 74, which relates to clause 5. I shall not read out all the words in the amendment, but I will say that those words provide a much better and clearer way of setting out what the Bill's promoters have to some extent been asking for, which is to ensure that pedlars with large trolleys are no longer able to operate within Bournemouth—or the city of Manchester. The amendment would allow pedlars with

"a wheeled vehicle with a carrying capacity no greater than one cubic metre"

to continue to operate. It would allow them to continue "trading", including

"the display or offer of items for sale."

In other words, it would not alter the definition of pedlary in the existing statutes.

Mr. Leigh: This is the kernel of the matter. There is absolutely no point in driving small-scale pedlars off the street only to have them bothering people door to door. These people will go on trading anywhere anyway. It is better to regulate them on the street in a small-scale way than have them bothering people in their houses.

Mr. Chope: I agree with my hon. Friend, but I am not sure that I would concede that pedlars bother people in their houses. There is a perception these days that many householders do not want to be harassed by people knocking on their doors, seeking their attention or selling goods door to door. Quite a lot put up notices on their front door, saying "No hawkers or pedlars" or refusing delivery of circulars and the like.

However, we know from evidence produced for the Durham university report published about a year ago that in city centres quite a lot of people enjoy being able to engage with pedlars and to purchase goods—usually relatively small-value items—and to do so in the freedom of the open air. These people would not want to be bothered with offers on a door-to-door basis. Some pedlars sell balloons or mini-kites—goods more associated with people on holiday who may have their children with them, people who want to have a bit of fun at not very great expense. It is much easier for pedlars to meet those sorts of people in the streets in the town centre, near the seafront or wherever, rather than have to seek them out by calling door to door.

Reading and Leeds, two of the councils in the group of six bringing forward the Bills, have accepted amendments to clause 5 that are more restrictive than my amendment 74. Their Bills are proceeding on that basis, and their Report stages and Third Readings are coming up shortly. I have included provisions relating to people being able not just to carry goods on their person but in

"a wheeled vehicle with a carrying capacity no greater than one cubic metre pushed or pulled by him."

That is because the issue was referred to in the Opposed Private Bill Committee, which concluded that clause 5, as originally drafted by the promoters from Bournemouth and Manchester, was too restrictive of the traditional right of pedlars to operate. After listening to the evidence, it proposed amendments which are set out in the minutes of evidence.

At the end of the Committee, it was concluded that the Bills should be amended to take on those concerns. On Wednesday 1 July 2009, at page 63 of the minutes of evidence, the Committee Chairman said, at paragraph 1119:

"Clause 5 is amended as follows...The pedlar trading house to house survives; for those not trading house to house their goods or tools or handicraft must be carried on foot on the person or in a trolley pushed or pulled by the person with a carrying capacity of no more than one cubic metre; they must not stop in one place for more than five minutes".

Many more detailed constraints followed. The detail, which is now reflected in the revised wording of clause 5, adds nothing that is worth while, and is likely to cause confusion, as it is an attempt to introduce through the back door a redefinition of what a pedlar can do lawfully. It picks pieces out of the common law, puts them in statute, and applies them to the two localities in Bournemouth and Manchester.

Sir John Butterfill: Does my hon. Friend not agree that his proposal in fact extends what pedlars can do under the current legislation? At present, they have to carry such items with them. The introduction of wheeled vehicles of some sort extends, rather than breaches, their existing rights.

Mr. Chope: My hon. Friend is not correct about that. Under the existing law, they are entitled to take goods with them not only on their person but using equipment. I quote from page 2 of the explanatory memorandum to the Bournemouth Borough Council Bill, which defines a pedlar as

"a person who, without any horse or other beast, travels and trades on foot from town to town carrying to sell or exposing for sale any goods, wares or merchandise or procuring orders for the same, or selling or offering for sale his skill and handicraft".

3.30 pm

Mr. Deputy Speaker: Order. I want to ensure that I am following the hon. Gentleman's speech carefully. Which amendment is he addressing at the moment?

Mr. Chope: I am addressing amendment 74, Mr. Deputy Speaker.

Mr. Deputy Speaker: The hon. Gentleman seems to be talking about clause 5.

Mr. Chope: Yes.

Mr. Deputy Speaker: I assume that the hon. Gentleman is aware that clause 5 is dealt with in the next set of amendments.

Mr. Chope: I was merely trying to respond to the point made by my hon. Friend the Member for Bournemouth, West, Mr. Deputy Speaker. I did not intend to anticipate the debate on a subsequent group of amendments, and I will not be drawn any further down that avenue.

I am trying to explain to my hon. Friend that the wording of amendment 74 is not less but more restrictive than the wording of the current law, because under the current law there is no specific limit to the carrying capacity of the vehicle that the pedlar takes with him in order to conduct his business.

Dr. Murrison: As politicians, we know full well how easy it is to expand carrying capacity. Any one of us who has set up a street stall will know that. What concerns local authorities is the problem of clutter and the blocking of ease of access for people going about their normal business. Does my hon. Friend agree that it is important to ensure that from this definition of carrying capacity does not emerge a table or stand of some sort that the pedlar might use? Might not a restriction in that regard make good sense?

Mr. Chope: I agree. That is why I have made the suggestion in amendment 74, and that is why, when I discussed these issues with the promoters of the Leeds and Reading Bills, I went even further and conceded—to the chagrin of some pedlars—that, in the particular circumstances of Leeds and Reading, it would be reasonable not to allow the pedlar to have anything with him other than the goods on his person.

The clear rationale set out in the main letter from the chief executive of Manchester city council, and in the separate letter from the leader of the council, which was well circulated—it was sent to a number of councils, encouraging them to ask their local Members of Parliament to participate in today's debate—is that the mischief that the Bills wish to address is that of wheeled vehicles drawn by so-called pedlars which are causing obstructions in town centres.

Obviously I would think that my own amendment was a good one, but it seems to me that amendment 74 clearly expresses a way of meeting the intentions of the amendments tabled by members of the Opposed Private Bill Committee without creating a complicated new provision that would offend all the principles of good regulation.

Mr. Leigh: My hon. Friend had me worried a moment ago. He referred to bringing a horse or beast. Would his amendment prevent a pedlar from bringing his horse or his beast into play?

Mr. Chope: Effectively, it would. My hon. Friend is an experienced practitioner of the law, and he knows that if a pedlar had a horse or a beast with him, he could not possibly comply with the terms of amendment 74. However, that is—as lawyers would say—an academic point, rather than one of practical substance. However, that comment might sound rather more critical than I intended to be of my hon. Friend.

Amendment 74 is essentially a new clause, replacing clause 5. Importantly, proposed new sub-paragraph (2B) states:

> "For the purposes of sub-paragraph (2A)(b), above 'trading' includes the display or offer of items for sale."

Clause 5 currently does not make that clear, but it is vital that that provision of the pedlars legislation is retained intact.

Many of my other amendments in this group remove the worst inaccuracies or ambiguities from the interpretations that the Bill's promoters have put on the words of the Opposed Private Bill Committee. They are, therefore, alternative amendments to amendment 74. That amendment effectively completely redrafts clause 5, but each of these other amendments tweaks a part of the clause that gives the wrong impression and would make bad law if unamended.

Amendment 7 would delete the word "only" from clause 5(1)(a). By inserting that word there, for the purposes of the Bill, its promoters narrow the definition of "pedlar" from the existing definition as restated in the 1982 Act, and I do not think that that can be accidental. Amendment 7 would delete the word "only" in respect of trading that is carried out

> "by means of visits from house to house"

and so forth.

Amendment 24 seeks clarity. I received strong representations on this matter from pedlars. They think "location" is far too broad a term. The Opposed Private Bill Committee used the word "place" in its recommendations, rather than "location", but I think the word "position" conveys a much better and more precise definition. A pedlar would then be in a particular position—standing on a square space of a few paving stones, perhaps—rather than in a "location", which might be regarded as a particular street or a much wider area. I hope that this amendment will find favour with the promoters of the Bill, because it more accurately conveys the intentions of the Opposed Bill Committee and will avoid a lot of argument about what is meant by "location".

Mr. Bone: I agree with my hon. Friend that this amendment seeks to make an important minor change, which would clarify the Bill enormously. I recall great debates that have taken place when section 106 agreements have said that money should be spent "locally" and that has been defined so widely as to have become something spent in the region. The tighter we can draw the Bill, the better. This amendment is small, but important.

Mr. Chope: I am grateful to my hon. Friend for his support for my amendment. He will know that the word "location" appears not only in clause 5, line 20, page 3, but in many other clauses. I shall not recite all those, but the consequential, similar amendments are set out in this group.

Amendment 8 seeks to reflect accurately common law case law on the interpretation of how long it is reasonable for a pedlar to stay in one position when complying with his duties and responsibilities under a pedlar's certificate. There is quite a lot of case law—I shall not refer to the tomes on it—suggesting that anything up to 20 minutes is reasonable for a pedlar to spend in one position and after that the pedlar needs to move on. Clause 5 says that it would not be possible for a pedlar to stay in one position for more than five minutes. That is unduly restrictive, and a 15-minute period would be more reflective of case law. In order to demonstrate the reasonableness of this and other amendments, I have not gone to the extreme of the ambit by proposing, in line with some case law, a 20 minute limit—there is even a case that suggested a stay of up to half an hour or longer. I thought that 15 minutes would be reasonable and proposed it in the hope that it would find favour with the promoters of the Bill.

Dr. Murrison: I have been listening to my hon. Friend's remarks, which make some sense to me. Would it help if he distinguished between a pedlar providing services, notwithstanding what he has said about the services directive, and those providing goods for sale? Providing goods for sale takes little time, whereas providing a service—he mentioned teeth whitening—will take rather more than five minutes. Indeed, one would hope that it would, so perhaps a distinction should be drawn between the two.

Mr. Chope: I am grateful to my hon. Friend for that intervention, because he makes a powerful point about having a five-minute time limit on the provision of services by a pedlar. I am no expert in teeth whitening—his medical knowledge probably means that he knows more about what is involved—but I do not think that that service could easily be executed to the right standard in five minutes, so perhaps 15 minutes would be a more reasonable limit. I agree with him that that should apply to services. In order to try to reduce the complexity, we would be better to adopt the same time limit for pedlars providing services as for pedlars who are trading, selling or displaying goods. What would happen if people were providing both teeth whitening and, perhaps, selling toothpaste? They would be both selling and providing services and that could cause problems with enforcement.

3.45 pm

Dr. Murrison: It would, of course, depend on precisely what they were doing—if they were acting as a provider of services, or if they were acting as a pedlar of goods. In the event that they were doing both, the former would clearly take precedence over the latter.

Mr. Chope: My hon. Friend is absolutely right and I shall not argue with him.

The sad thing is that we are now faced with a situation in which this Bill is now being considered on Report—it has already been through the other place—and the scope for amending it beyond the amendments tabled today is non-existent. I think my hon. Friend, in fairness, is faced with the choice of supporting the provision of five minutes for all pedlars, including pedlars of services, or amendment 8, which would delete the reference to five minutes and insert 15 minutes.

Sir John Butterfill: I am sure that my hon. Friend would agree that five minutes was what the Committee, after a lot of deliberation, thought was reasonable, and that 20 minutes was well beyond what it thought was reasonable. At 20 minutes, the definition starts to become more like that of a street trader than of a pedlar. The essence of a pedlar is that he moves along.

Mr. Chope: I accept what my hon. Friend says. That is why I am not going as far as to suggest 20 minutes, and why I am proposing a 15-minute compromise. Having read the transcript of the proceedings in the Opposed Private Bill Committee, I doubt whether the point made by my hon. Friend the Member for Westbury (Dr. Murrison) about its being very hard to provide some services within five minutes was taken on board at all.

Mr. Leigh: All this is nonsense. Who is going to police all this rubbish of insisting that someone stays for five minutes, seven minutes or 10 minutes? It is much better to have a less restrictive time limit, as my hon. Friend is trying to propose. The principle would be that they have to move on, rather than their being told to move on after five minutes. Who would police it? The police have better things to do.

Mr. Chope: My hon. Friend is right. The issues of seizure, penalties and enforcement are dealt with later. We must try, in this great Palace of Westminster where we legislate, to introduce a bit of common sense and practicality into the laws that we introduce. If they are effectively unenforceable, we are going to make ourselves even more of a laughing stock than we are already.

Mr. Bone: I am grateful to my hon. Friend for giving way. He is being very generous. Will he explain a point to the House and to me? In clause 5, proposed new sub-paragraph (2A)(a)(i) states

"at the end of the five minute period, or"—

as (ii) states—

"as soon as he is able after trading ceases, whichever comes later".

That seems to drive a coach and horses through any time limit. Have I misread it?

Mr. Chope: Basically, that demonstrates how complicated this drafting has become. We are talking about a set of rules that are meant to be easily understood, remembered and complied with by pedlars who have had their certificates issued anywhere in the UK and who come down to Bournemouth and go to Manchester. Will they find it easy to understand these precise constraints, which will be unique to the Bournemouth and Manchester areas if they become law today?

I think that the answer to the question posed by my hon. Friend the Member for Wellingborough (Mr. Bone) is that a very tight time limit of five minutes may lead to a queue of customers asking, "Hang on a minute, can I buy one of those?", to which the response will be, "No, because my five minutes are up."

Unless people are within sight of the town hall clock, it will be quite difficult for them to be cognisant of when they arrived and of how long they can enjoy selling wares to willing customers.

Mr. Leigh: What do people do when their five minutes is up? Do they take one step to the right, or 15 steps? We are in danger of making the law an ass.

Mr. Chope: My hon. Friend anticipates my amendment 9. Line 28 of page 3 says that after a pedlar has left a location—or, as I would prefer to say, a position—he must move a minimum distance of 200 metres before he can engage in further trading. He will therefore say to customers rushing down the street after him as he walks away, "I can't trade with you now because I have not done my 200 yards"—as I would call the distance. Again, that is absolutely ludicrous—

Mr. Deputy Speaker: Order. I understand that the hon. Gentleman is being tempted to move from amendment to amendment. He is doing very well, but it would be

helpful if he would move logically from amendment to amendment. If he deals with amendment 9 now, we will consider it dealt with.

Mr. Chope: I was trying to go logically through the amendments, Mr. Deputy Speaker. We have dealt with amendment 8, which would leave out "five" and insert "fifteen", but I have not referred to amendment 25, as it is another one that would replace the word "location" with the word "position" and I have already deployed the arguments in that regard.

As you say, Mr. Deputy Speaker, that brings us to amendment 9. For those who are following the debate and have a copy of the Bill, that amendment refers to line 28 of page 3 and reads:

"'leave out '200' and insert '20'."

For a pedlar to establish that he has moved, there is no need for him to move 200 metres. I have already said why I do not believe that setting a minimum distance requires such a highly prescriptive form of legislation but, if that is what we must have, my proposal is that the Bill should set the more reasonable distance of 20 rather than 200 metres.

I would be the first to accept that that is an arbitrary judgment on my part, but my 20-metre proposal would still make it clear that a person had moved and could then continue with his transactions.

Mr. Ellwood: I am pleased that my hon. Friend has finally admitted that these are, in essence, wrecking amendments that would change the Bill in its entirety and render it unworkable. My hon. Friend the Member for Gainsborough (Mr. Leigh) has said that a person moving one inch could not be policed, but that is exactly what would happen if the distance were to be reduced from 200 metres to 20 metres. How could that possibly be policed? Two hundred metres is a decent distance: with that, and a time limit of five minutes, there would be no doubt about what was happening.

I do not want to test the House's patience, but the Bill makes it clear that the provisions apply only when trading has ceased. So a person getting his teeth whitened will not have to give up the service halfway through, and the trader will be able to deal with any queue that has formed before moving on. The drafting of the Bill is sound, and I am sorry that my hon. Friend is not giving it the justice that it deserves.

Mr. Chope: I am grateful to my hon. Friend for that intervention. Not for the first time, two hon. Members have reached different conclusions about what should be the right form of the legislation. However, clause 5 and the amendments tabled as a result of the deliberations in the Opposed Private Bill Committee show that the members of that Committee, and now the Bill's promoters, have tried to encapsulate in statute the case law that has arisen.

There is no evidence to suggest that case law requires a pedlar to move between each set of transactions a distance of 200 metres rather than 20 metres, which is the distance that I suggest in amendment 9. I strongly dissent from my hon. Friend's suggestion that that is a wrecking amendment. It is not. The amendment has been selected for debate, and it is based upon representations that I have received. I have modified them not only to make them more reasonable, but to bring them closer than might otherwise have been possible to the concerns expressed.

Mr. Ellwood: With due respect to my hon. Friend and constituency neighbour, is he honestly saying that, in a period of three hours, the introduction of 81 separate amendments is not designed to wreck the Bill?

Mr. Chope: It is absolutely not designed to wreck the Bill; it is designed to improve the Bill.

Mr. Leigh: On a point of order, Mr. Deputy Speaker. Is it in order to put down wrecking amendments?

Mr. Deputy Speaker: If an amendment was put down and seen to be a wrecking amendment, it would not be called for debate. However, it will help if the hon. Member for Christchurch (Mr. Chope) lets us know each time he moves from one amendment to another, and help if he keeps ticking along.

Mr. Chope: Absolutely.

Mr. Bone: I am looking with some concern at clause 5(1)(a) and (b). Paragraph (a) refers to

"visits from house to house".

In Wellingborough, houses are often right next door to each other; they are certainly not 200 metres apart. Have I misread that provision? If one employed a 200 metre provision, one could not go from house to house.

Mr. Chope: My hon. Friend has misread that provision, because it applies to pedlars trading not from house to house, but in the streets. I am sorry to be blunt with him about that.

Dr. Murrison: But the provision would apply, presumably, to the "lucky lavender" seller who peddles her wares—throughout the summer, certainly—on Westminster bridge. She does not move very far and cannot, poor thing, because of all the passing traffic, so it would apply to her, would it not?

Mr. Chope: It most certainly would apply to her, and my hon. Friend raises an important issue, because the Bill's promoters would argue that that lavender seller is just the sort of person who is outlawed under similar legislation that has been enacted in London. Returning to the point that my hon. Friend the Member for Gainsborough made about enforcement, and notwithstanding the legislation in London, we still see such activity continuing, however. So, even if the intention was to stop a lavender seller operating in Bournemouth town centre, I am not sure that it would be realised in practice. We will turn later to whether it should be possible to seize and hold the lavender seller's lavender until a fixed penalty has been paid, but we should not anticipate that debate.

Amendment 10 would leave out from clause 5

"in any 12 hour period"

and, taking into account amendment 11, mean that the location that a pedlar occupied with a view to trading would have to be at a minimum distance from any other one that he had so occupied at any time within a period of "two hours".

[Mr. Chope]

Amendments 10 and 11 would make the provisions more akin to those that apply, for example, to restricted waiting for cars. A lot of waiting restrictions say that someone cannot stay in one particular parking bay for more than, say, half an hour, and they must not return to that same location within two hours. I have yet to come across any parking restriction that says that they cannot come back within 12 hours, because it would be very difficult to enforce that: who is going to stand in a location for 12 hours to see whether the person comes back? I am trying to introduce some common sense into this.

4 pm

Mr. Ellwood: I think that common sense is something that we wandered away from some time ago. My hon. Friend has described a situation where a pedlar can, over any two-hour period, move a maximum distance of about 160 metres. How is that possibly going to be useful from a town centre perspective of controlling street traders and pedlars? This is getting daft.

Mr. Chope: My hon. Friend has multiplied my 15 minutes by 20 metres. He is saying that in any hour the pedlar would have to move 80 metres, so in two hours he would have to move 160 metres. With the greatest respect, that does not seem unreasonable, because the pedlar is continuing to move around. Obviously, if he does not have any trade in one particular position, he will move more frequently, but if he has quite a lot of trade, then he will do as is suggested, which would be perfectly in order under the current legislation applying to pedlars. I disagree with my hon. Friend.

As currently worded, the provisions mean that a pedlar would not be able to return within a 12-hour period to any place that he has occupied. Taking all the original wording together, that means that he would have to travel 200 metres every five minutes over a 12-hour period. If we multiply that out—I am not so good at mental arithmetic when I am on my feet—it is clear that he would have to travel quite a long way. I suggest that that is unreasonable, particularly when coupled with the requirement that having travelled those distances the person must not return to a location that is less than 5 metres away from any position that he has occupied during the previous 12 hours.

Mr. Ellwood: The Pedlars Act 1871 says that a pedlar

"travels and trades on foot and goes from town to town".

From that, one can deduce that they are on the move fairly regularly. Therefore, it makes sense to provide that a person could move the distance that we are talking about—200 metres—and then move locations over a 12-hour period with a view to trading at a minimum distance of 5 metres away from a position that he has occupied before. That fits with the 1871 Act.

Mr. Chope: With the greatest respect to my hon. Friend, it is for Parliament to legislate and for the judges to interpret that legislation. The interpretation placed on the 1871 Act by successive members of the judiciary is contrary to that of my hon. Friend. I think it is better for us to proceed on the basis that we should try to align these provisions with the existing common law interpretation.

Mr. Leigh: We have the 1871 Act, and my hon. Friend is obviously in touch with the peddling community. If I were a pedlar who had done this for years, I cannot believe that I would think in terms of 200 metres, or whatever. I would think in terms of having, from time to time, to move on, because that is what is bred into me by my community. Are we not being far too prescriptive? Cannot we just go back to the broad interpretation that we have always had under the 1871 Act and common law?

Mr. Chope: My hon. Friend makes the plea that we have been making throughout the deliberations on these Bills. The whole issue of what we should do now in the national context will soon be on the Minister's table, because he has put out a big paper for consultation. We will see from the responses to it what the Government decide to do, but it would be very odd if the House decided to have a different, prescriptive regime for what we mean by "moving on" for the purposes of pedlars operating in Bournemouth and Manchester compared with what judges up and down the land have said is reasonable for pedlars operating in other parts of the country. I am very much with my hon. Friend on that.

I move on to amendment 12, which would leave out lines 34 to 37. The provisions that I have criticised would be less offensive if those lines were left out, because they state that a pedlar

"must not begin so to occupy a location any part of which is nearer than a minimum distance of 50 metres from any part of a location for the time being so occupied by another person".

That means that a pedlar who had finished his five minutes of trading would not be able to move anywhere else, other than some 200 metres away, if the new position were within 50 metres of another person.

Mr. Leigh: Absurd. Absolutely absurd.

Mr. Chope: It is, and I plead with the sponsors of the Bill to make some concession to common sense. As currently drafted, clause 5(1)(d) does not make any sense at all and is oppressive beyond all measure. The case for leaving it out and getting on without it is extremely strong.

Amendment 13 would leave out, in line 34 on page 3, the words "any part of". It is an alternative but much less adequate way to mitigate against the worst impact of subsection (1)(d). The amendment would mean that a pedlar

"must not begin so to occupy a location"—

or, in my preferred wording, a position—

"which is nearer than a minimum distance of 50 metres"

from another person. The expression "any part of" gives credence to the concern that I expressed earlier when introducing my amendments to replace the word "location" with the word "position", which is that the drafters of the Bill have it in mind that a "location" might be quite a wide area. If it were not, they would not need to include the words

"any part of which is nearer than a minimum distance of 50 metres".

It would be quite easy to measure 50 metres from a spot where one was standing selling flowers or whatever, but from what part of that position or location should that be done? That wording confirms my suspicion and that of pedlars that in using the word "location", the promoters are trying to introduce a system of measuring not from a particular spot or position but from a wide area.

We must then ask what we mean by that location or area and how to measure the 50 metres minimum distance from the nearest part of it to "any part of" another

"location for the time being so occupied by another person".

Government draftsmen would find such drafting intolerable in Government legislation—it cannot be good legislation.

I can understand people asking why we must go into such detail—

Mr. Deputy Speaker: Order. I say to the hon. Gentleman, that the amendment is extremely clearly set out. Presumably he is either for or against it.

Mr. Chope: Yes, Mr. Deputy Speaker. I am very much for the amendment and against the contents of the measure.

Mr. Bone: My hon. Friend is explaining the amendments in great detail. Would it be helpful to the House if on occasion the sponsors of the Bill intervened to say that they accept an amendment? In that way, we could move a bit faster.

Mr. Deputy Speaker: Order. I am sure the hon. Member for Christchurch (Mr. Chope) is very experienced in these matters. Perhaps he could speak to the amendment before the House, and not to how these things are done.

Mr. Chope: Mr. Deputy Speaker, I live in anticipation of getting a helpful response from the Minister that would in due course result in one of my hon. Friends summing up the debate by saying that quite a lot of the amendments have been accepted by the sponsors. I would be the first to raise my hat to the roof in celebration of such common-sense concessions, which I am sure should be made in due course.

I will not discuss amendments 14 and 28, because I have made the case for those in previous discussions. Amendment 15 would mean that the pedlar could not move within a minimum distance of 50 metres of another pedlar, rather than simply "another person". There must have been an error in the drafting of the Bill, because it is complete nonsense that someone should have to be 50 metres away from any other person. I pray in aid the explanatory memorandum which, in explaining the alterations to the pedlars' exception in clause 5 and summarising the essential requirements, states that

"no trading must be commenced any nearer than 50 metres from another person trading with the authority of a pedlars' certificate".

The explanatory memorandum adds the words

"with the authority of a pedlars' certificate",

but that is not in the Bill. I hope that someone will intervene to assure me that there has indeed been a drafting error, because the intent, as expressed in the explanatory memorandum, is that the minimum distance—whether one likes that or not—should be from another pedlar, rather than from "another person".

4.15 pm

Mr. Leigh: If one is 50 metres from a pedlar, what is all the fuss about? It is not as though high streets are being invaded by a rash of pedlars standing every 5 metres. What does it matter if there is a pedlar every 50 metres or every 100 metres, or indeed only every 45 metres? It is ludicrous.

Mr. Chope: I do not dissent from the use of the word "ludicrous". The existing wording however provides that the pedlar would not be able to move within 50 metres of anyone. If he has to find a position at least 50 metres from anyone else, people will think that he needs a bath or something—

Mr. Leigh: He probably does!

Mr. Chope: My hon. Friend is being unfair. I hope that the sponsors of the Bill will accept that that is an error. That would be a modest but welcome concession.

Clause 5 lays out several things that a person must do

"at all times while…trading"

or "otherwise occupying any location". Amendment 16 would insert the words "acting as a pedlar" after "at all times while", so that we would not restrict the ambit of the rules and responsibilities relating to pedlars. Acting as a pedlar includes offering one's goods for sale so that people may look at them and discuss what is available—it might even involve taking an order to be delivered on a subsequent occasion. The amendment would add clarity and precision to the Bill.

Amendment 17 would remove all the restrictions in proposed new sub-paragraph (e), which would help to clarify the Bill. We know what activity is legitimate activity for a pedlar, and to define that activity more narrowly would contradict the express statement of the Opposed Private Bill Committee that nothing it did would amend the definition of pedlar. That was its intention as stated in paragraph 1119 on page 63 of the transcript of day two, which quotes the Chairman as saying:

"We are not attempting to redefine peddler."

However, there is an attempt to redefine pedlar, which is raising all sorts of concerns and suspicions among pedlars.

Amendments 29 and 30 relate to the point that I made earlier about the benefits of using the words "position" or "positions" rather than "location" and "locations". The same is true of amendment 31.

Amendment 18 would leave out "bona fide" on page 4, line 4 in clause 5, which instead of referring to customers, talks about bona fide customers. I am not sure that it will be easy for people to find out who is a bona fide customer. The provision states:

"Nothing in sub-paragraph (2A)(b) to (d)…disqualifies any person from occupying a location within a minimum distance for the purpose of trading if…he so occupies it on the request of a bona fide customer".

Does that mean that the customer has to complete a purchase for the pedlar's position to be validated? How is any observer of the scene to assess whether the customer is bona fide?

Mr. Leigh: Again, that is a completely subjective test—it is not an objective test. Why does this Parliament have this relentless itch to change, regulate and control? How many complaints against pedlars are there? My information is that on average there is one complaint

[Mr. Leigh]

per authority in this country. Yet we are introducing this new law, which is unasked for, unwanted and will control the ability of people to engage in enterprise.

Mr. Deputy Speaker: Order. I encourage the hon. Member for Christchurch (Mr. Chope) to stick to the amendment before the House.

Mr. Chope: I will stick to the amendment, and just note my hon. Friend's remarks.

I am trying, through the amendments, to improve clause 5 and hoping that we will get some assistance from the sponsors.

Mr. Ellwood: I am conscious of progress—or perhaps the lack of it, as we wander through the amendments—and hope that we might see a conclusion today. Given that my hon. Friend has invited the sponsors of the Bill to provide some clarification, I shall explain the reason for the reference to "bona fide". Hon. Members might like to wander outside their own constituencies to places such as Manchester and Bournemouth, where stooges are used to keep pedlars occupied and so prevent them from moving on as they should. That is the reason for the reference to "bona fide". If my hon. Friend does not like the Latin "bona fide", he could easily have suggested "genuine". However, that is the explanation. It is a reality that stooges are used to prevent movement and deliberately to keep the pedlar in one location.

Mr. Chope: Well, that is the first that I have heard of that suggestion.

Mr. Ellwood: It was made in Committee, actually.

Mr. Chope: Well, in that case, I defer to my hon. Friend's expertise. I stand corrected; it was raised in Committee. I obviously skim-read that bit and did not notice the reference. However, the point that I would make in response is this: who is to decide whether the customer is bona fide or a stooge? There have been, I think, six prosecutions for illegal pedlary in Bournemouth over a two-year period. Proportionally, to include "bona fide" on lines 4 and 11 in relation to a customer is pushing the ambit of the prescription and regulation too far.

Mr. Leigh: Is my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) suggesting that I am a stooge trying to keep my hon. Friend the Member for Christchurch (Mr. Chope) going in business?

Mr. Chope: I shall not be drawn into that.

Mr. Deputy Speaker: Order. My patience is now being strained.

Mr. Chope: Amendment 19 is similar to amendment 18 in that it would leave out "bona fide" on page 4, line 11. I do not need to address my remarks to that.

Amendment 20 reads:

"leave out from 'customer' to end of line 13",

on page 4. The effect of amendment 20 would be to enable the person to carry on trading from the time that he commences a transaction involving selling goods to a customer or supplying a service for payment by a customer, because it would leave out the words

"up to the moment when the transaction is completed or aborted".

Again, that would add a lot of clarity and reduce the restrictions in the Bill. Amendment 20 is perhaps not the most important amendment, but it nevertheless merits serious attention. Amendment 21 would leave out the words "bona fide" from clause 5, on page 4, line 15, although I will not go over that ground again.

Then we come to amendment 22, which would leave out lines 20 to 24 on page 4, removing the requirements relating to measurements of minimum distance. Everyone understands what a minimum distance is and why I am against references to minimum distances, and certainly the short distances referred to in clause 5. Everybody knows how to measure a distance, and we do not need to define it as tightly as the Bill does, which says that the

"measurement of minimum distance operates in a straight line except to the extent that...the ground is not level"—

I am slightly confused by what that means—or that the

"passage along the line is obstructed by buildings, fixed structures or private property".

If we are to have any confidence in common sense, surely we do not need the degree of prescription in proposed new paragraph 1(2C)(b) of schedule 4 to the 1982 Act, as set out in clause 5, on lines 20 to 24 of page 4.

The last amendment in this group is amendment 23, which is arguably one of the most important amendments, because it bears directly on the quotation that I gave a moment ago of the Chairman of the Opposed Private Bill Committee, who said that there was no intention on the part of that Committee to redefine the word "pedlar". It is my submission that clause 5(2) should not say:

"Nothing in subsection (1) shall be taken to extend the range of activities that comprise acting as a pedlar."

The Bill as drafted restricts the range of activities that comprise acting as a pedlar, compared with the activities set out under the Pedlars Act 1871 and the case law under it. It would be much clearer, and would also reflect more accurately the express intentions of the Chairman and other members of the Opposed Private Bill Committee, if clause 5(2) said that nothing in subsection (1) should be taken to "restrict" the range of activities that comprise acting as a pedlar, which is the complete reverse of what it says now.

The reason why I think that that is important is that there is a lot of suspicion about the motives behind the provisions. There has been a breakdown of trust between the pedlars and the various boroughs whose enforcement officers they believe are harassing them unnecessarily. If the Bill goes forward in a way that, it could be argued, restricts the range of activities that currently comprise acting as a pedlar, not only will that be premature, because we will still be awaiting the report from the Government following the consultation that is taking place, but it will add to the pedlars' frustration and their feeling that they are an oppressed minority. There are only about 3,500 of them up and down the country, and some of us are trying to defend their interests today—and, indeed, to encourage more people to participate in the art and activity of pedlary, which brings so much joy to

so many people in so many parts of the country. I have summarised my amendments and I urge hon. Members to support them.

4.30 pm

Mr. Ellwood: This has been a very long debate. May I place on record my concern that we could have had another 45 minutes, once the previous chunk of business had finished? Instead, the sitting was suspended, which was unhelpful. We could have had more time to debate these matters.

Mr. Bone *rose—*

Mr. Ellwood: I will give way briefly, but we really need to make some progress on the Bill.

Mr. Bone: I do not think that my hon. Friend is quite correct. The three-hour limit would have been opposed if the Government motion had been accepted.

Mr. Ellwood: My hon. Friend is not correct. There was an objection made to our continuing with—

Mr. Deputy Speaker: Order. Can we stick to discussing the amendment before the House, and not go into what happened before?

Mr. Ellwood: There is a lot of history behind the Bill. We have debated it more than we have debated most of the Government Bills that have been put through Parliament in this Session. My hon. Friend the Member for Christchurch (Mr. Chope), who initially objected to its being pushed through at a pace with which he was uncomfortable, made it clear that we needed to give it due discussion, and that was accepted. We have now had that discussion, however, and I am concerned that 81 amendments have been tabled at the eleventh hour. I hope that we will be able to bring this matter to a conclusion here today.

We have moved much too far away from the real issue, which is the relationship between street traders and pedlars, both of whom have a legitimate role in society today. Unfortunately, there is a legal blurring in regard to how the two work together, to the extent that local authorities up and down the country are having problems with how to control their town centres. The purpose of the Bill—which follows similar Bills relating to places such as Leicester, Medway and London—is to try to reconcile that difference.

I would be the first to acknowledge that national legislation covering all local councils would be sensible. Unfortunately, we are a long way off achieving that, and the situation in our town centres has created a sense of urgency. We therefore need to push ahead with this legislation. There would not be so many borough councils queuing up to join those that already have the legislation if it were not important. All borough councils face huge financial pressures, and it has cost an awful lot of money to get where we are today. They would not be going down that road unless it were important.

Dr. Murrison: I agree with my hon. Friend entirely. It is a pity that individual local authorities have to pursue these matters in this way. My council, Wiltshire county council, has yet to contact me on this matter, but I know that these issues arise in the market towns of Wiltshire, and I am anticipating the day when we might have to introduce a similar Bill for my area. Does my hon. Friend agree that there is a hierarchy of disadvantage for those who operate shops, for street traders and for pedlars—in terms of business rates, for example? That creates a competitive disadvantage that needs to be addressed, and in that respect the market needs to be managed. This Bill is part of that process, albeit in relation only to Bournemouth.

Mr. Ellwood: My hon. Friend echoes the importance of pressing ahead with this legislation. We have already had votes in the House on the Bill. Parliament has already spoken on the matter, and I do not want to take up any more of its time. I urge hon. Members to press forward with the Bill and to draw the matter to a conclusion.

Tony Lloyd (Manchester, Central) (Lab) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

The House divided: Ayes 127, Noes 5.

Division No. 54] **[4.35 pm**

AYES

Abbott, Ms Diane
Austin, John
Baird, Vera
Battle, rh John
Bayley, Hugh
Bellingham, Mr. Henry
Benton, Mr. Joe
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Brennan, Kevin
Brokenshire, James
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Burstow, Mr. Paul
Burt, Alistair
Butler, Ms Dawn
Chapman, Ben
Chaytor, Mr. David
Clark, Greg
Clwyd, rh Ann
Crausby, Mr. David
Drew, Mr. David
Eagle, Maria
Efford, Clive
Ellwood, Mr. Tobias
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Featherstone, Lynne
Fitzpatrick, Jim
Foster, Mr. Don
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Green, Damian
Greening, Justine
Griffith, Nia
Grogan, Mr. John
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harris, Dr. Evan
Healey, rh John
Heath, Mr. David
Hendrick, Mr. Mark
Hendry, Charles
Heppell, Mr. John
Heyes, David
Hill, rh Keith
Hillier, Meg
Horwood, Martin
Hoyle, Mr. Lindsay
Hughes, Simon
Iddon, Dr. Brian
Irranca-Davies, Huw
Jack, rh Mr. Michael
Johnson, Ms Diana R.
Jones, Helen
Kaufman, rh Sir Gerald
Keen, Alan
Kidney, Mr. David
Kumar, Dr. Ashok
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mallaber, Judy
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIntosh, Miss Anne

McIsaac, Shona
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Moffatt, Laura
Morden, Jessica
Mullin, Mr. Chris
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Neill, Robert
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Penning, Mike
Penrose, John
Pound, Stephen
Randall, Mr. John
Raynsford, rh Mr. Nick
Rosindell, Andrew
Russell, Bob
Salter, Martin
Sarwar, Mr. Mohammad
Selous, Andrew
Skinner, Mr. Dennis
Smith, rh Angela E. *(Basildon)*
Soames, Mr. Nicholas
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stringer, Graham
Stunell, Andrew
Thurso, John
Tipping, Paddy
Twigg, Derek
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waltho, Lynda
Watkinson, Angela
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Williams, Mr. Roger
Willott, Jenny
Wright, David

Tellers for the Ayes:
Andrew Miller and Ms Gisela Stuart

NOES

Field, Mr. Mark
Hollobone, Mr. Philip
Pelling, Mr. Andrew
Steen, Mr. Anthony
Tyrie, Mr. Andrew

Tellers for the Noes:
Mr. Peter Bone and Mr. Edward Leigh

Question accordingly agreed to.

Question put accordingly, That the amendment be made.

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 8, Noes 124.

Division No. 55] **[4.47 pm**

AYES

Chope, Mr. Christopher
Hollobone, Mr. Philip
Mackay, rh Mr. Andrew
Pelling, Mr. Andrew
Steen, Mr. Anthony
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Walter, Mr. Robert

Tellers for the Ayes:
Mr. Peter Bone and Mr. Edward Leigh

NOES

Abbott, Ms Diane
Austin, John
Baird, Vera
Battle, rh John
Bayley, Hugh
Bellingham, Mr. Henry
Benton, Mr. Joe
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blunt, Mr. Crispin
Bottomley, Peter
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Burstow, Mr. Paul
Burt, Alistair
Butler, Ms Dawn
Butterfill, Sir John
Chapman, Ben
Chaytor, Mr. David
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Crausby, Mr. David
Dowd, Jim
Drew, Mr. David
Eagle, Maria
Efford, Clive
Ellwood, Mr. Tobias
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Featherstone, Lynne
Fitzpatrick, Jim
Foster, Mr. Don
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Greening, Justine
Griffith, Nia
Grogan, Mr. John
Hammond, Stephen
Healey, rh John
Heath, Mr. David
Hendrick, Mr. Mark
Hendry, Charles
Heppell, Mr. John
Heyes, David
Hill, rh Keith
Hillier, Meg
Horwood, Martin
Hoyle, Mr. Lindsay
Hughes, Simon
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Mr. Stewart
Johnson, Ms Diana R.
Jones, Helen
Kaufman, rh Sir Gerald
Keen, Alan
Kidney, Mr. David
Laing, Mrs. Eleanor
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mallaber, Judy
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIntosh, Miss Anne
McIsaac, Shona
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Moffatt, Laura
Mole, Chris
Morden, Jessica
Mullin, Mr. Chris
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Neill, Robert
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Penning, Mike
Penrose, John
Pound, Stephen
Randall, Mr. John
Raynsford, rh Mr. Nick
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Salter, Martin
Sarwar, Mr. Mohammad
Selous, Andrew
Skinner, Mr. Dennis
Smith, rh Angela E. *(Basildon)*
Soames, Mr. Nicholas
Soulsby, Sir Peter
Spellar, rh Mr. John
Stringer, Graham
Stunell, Andrew
Thomas, Mr. Gareth
Thurso, John
Tipping, Paddy
Twigg, Derek
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Waltho, Lynda
Watkinson, Angela
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Williams, Mr. Roger
Willott, Jenny
Woolas, Mr. Phil
Wright, David

Tellers for the Noes:
Andrew Miller and Ian Stewart

Question accordingly negatived.

Mr. Chope: I beg to move amendment 4.

Mr. Deputy Speaker: With this it will be convenient to discuss amendments 5 and 6.

Mr. Chope: This is a smaller group of amendments. I hope that the sponsors of the Bill will show a little more respect to the arguments deployed in support of the amendments in this group than they did to those in the last group. People who are looking at the record will be amazed to think that 28 amendments, which took well over an hour and a half to discuss and concerned many Members of the House, received no response from the Government or the official Opposition and no meaningful response from the sponsors before they curtailed the debate. I hope we do not experience that again, because it sends out a very bad message from this House. It

suggests that people who table amendments are never entitled to a response to the arguments they make in support of them.

Sir John Butterfill: I am a little offended on behalf of my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) and myself that my hon. Friend the Member for Christchurch (Mr. Chope) does not think we replied to the serious points he made. We did not regard some of them as being particularly serious.

Mr. Chope: I am sure that if this Bill reaches the statute book the proof of the pudding will be in the eating and we will see the result in the Bournemouth magistrates court or divisional court. Perhaps the Government will sort it out by introducing some national legislation.

Mr. Leigh: There is a serious matter. In an excellent speech—he gets the Eric Forth award for consistency and accuracy—my hon. Friend made some important points. We should have a convention that at least the Minister should reply to a debate before the closure motion can be moved.

Mr. Deputy Speaker: Order. We are now spending time on the past and on procedure. May I suggest to the hon. Member for Christchurch (Mr. Chope) that we move on to the substance of this group of amendments?

Mr. Chope: Absolutely, Mr. Deputy Speaker.

Amendment 4 would insert the phrase

"to the area of the Borough defined in subsection (3) below".

Subsection (3) is provided by another amendment in this group, amendment 5, which defines a specific area of Bournemouth in which the ambit of the provisions of the Bill will apply. That is the area to the south of the Wessex way, and hon. Members on both sides of the House familiar with conferences in Bournemouth will know that that is the extension of the spur road into town. People travelling from London turn left off the spur road to get to the centre of Bournemouth and to the Bournemouth International Centre, where the conferences are held.

The area that I am defining would be confined to the area to the south of the spur road—in other words, it would lie between the spur road and the seaside. Restrictions to the west of that area would apply at Durley Chine; to the east, they would apply at the Lansdowne and its Meyrick road extension.

Mr. Leigh: We used to have our party conference in Bournemouth, and I much preferred those great days. We would be stopped constantly by people giving us leaflets, but why should they be treated any better or worse than an honest pedlar trying to earn a living?

Mr. Chope: My hon. Friend makes a really good point. Leaflets do not have to be sold in order to be issued by pedlars, but perhaps we should have ensured that the people handing them out held pedlars' certificates. I am concerned about this matter because my constituency of Christchurch is so close to Bournemouth—indeed, it is contiguous with it. It is a great inconvenience that we no longer hold Conservative party conferences there.

Mr. Deputy Speaker: Order. I suggest that that is not relevant to the amendments under discussion. We should be concentrating on time and place.

Mr. Chope: Thank you, Mr. Deputy Speaker. To deal with the question of location, I shall refer to a conversation that I had with Mr. Mark Smith, Bournemouth's director of tourism. We spoke on Monday of this week, over breakfast at a hotel in Christchurch. The meeting was organised by my hon. Friend the Member for Bournemouth, East (Mr. Ellwood), although unfortunately he was not able to attend.

Also at the meeting was a Bournemouth councillor, and I raised with Mr. Smith an issue that I had raised at a discussion at Bournemouth town hall some 18 months ago. Bournemouth says that it has a problem with illegal street trading and rogue pedlars in the town centre, so the suggestion was that the provisions of the Bill should be limited to that area and not extend across the whole area of the borough. I gave Mr. Smith the details of the restricted location proposed in the amendment, and he agreed that, to all intents and purpose, that was the core part of Bournemouth's commercial centre.

Mr. Smith accepted that it would be an appropriate area to put in a restriction, but he was worried about making any concessions at this stage. He was also worried about what he described as the displacement effect—the possibility that activity currently taking place in the town centre might be displaced elsewhere.

You may remember, Mr. Deputy Speaker, that that is exactly the same argument as the one that we addressed on Second Reading, when we debated whether the consequence of introducing this legislation in Bournemouth's town centre would be that the activity would be displaced into the borough of Christchurch. My hon. Friend the Member for North Dorset (Mr. Walter) spoke about towns such as Wimborne and Blandford in his constituency, but at that stage it was denied that there would be any displacement effect. Now, however, the argument about possible displacement is being used against my proposal, which is that the Bill should contain a clear definition of the part of Bournemouth to which these restrictions will apply. It is more complicated than it might seem, because different trading regimes already operate in Bournemouth.

That point was borne out by the evidence from the same Mr. Mark Smith, the director of tourism, during the Opposed Private Bill Committee at the end of June and the beginning of July last year. I recall him saying, early on in his evidence, that although the Bill would apply to the whole of Bournemouth, some streets were prohibited streets, some were not, and there were some to which the local authority had not sought the application of the 1982 Act. It does not apply to quite a lot of the streets in Bournemouth.

A question then arose—from a Committee member, I think—about how pedlars going to Bournemouth would know in which streets they could ply their trade. Although the Bill extends to the whole borough of Bournemouth, the whole borough is not subject to the 1982 Act, so pedlary not just from house to house but in the street will be able to continue in parts of the borough. The trouble is, however, as Mr. Smith conceded in his evidence, one will be able to find out the areas where the legislation will apply only by looking on the internet, and that is not a practical proposition for many pedlars. He said

[Mr. Chope]

that the precise boundaries for the operation of the restrictions in Bournemouth should be set out in a leaflet, which they do not yet have in Bournemouth, and made available to all police authorities throughout the country. They would be able to distribute the details to people when they applied for a pedlar's licence, and those individuals would know the parts of Bournemouth in which they were able to exercise their pedlary certificate without getting on the wrong side of the law.

Sir John Butterfill: Surely it is not beyond the wit of any reasonably prudent pedlars to inquire at the town hall whether there are any areas where they are not permitted to ply their trade. I do not see that being particularly onerous; in fact, any prudent person could do so.

Mr. Chope: If my hon. Friend looks at the evidence from the Opposed Private Bill Committee, he will find that he is slightly at odds with the director of tourism for Bournemouth. If that had been the director's view, he would not have suggested that the way to overcome the problem was to distribute leaflets to every police authority in the country.

John Penrose (Weston-super-Mare) (Con): Does my hon. Friend agree that time may very well solve that problem? The growing ubiquity of personal handheld electronic devices, such as iPhones, BlackBerrys and so on, most of which are capable of surfing the net, would make it much easier—particularly for entrepreneurial people such as pedlars. He and I agree that they are entrepreneurial, and it will be very easy for them in due course to check in real time on the council's website the location of the streets where they are and are not allowed to trade. Such activity may not be ubiquitous quite yet, but in due course I suspect that it will become increasingly easy. Does he agree?

Mr. Chope: My hon. Friend addresses somebody who is proud not to have a BlackBerry, so I am not quite sure about the question of ubiquity.

Mr. Deputy Speaker: Is the hon. Gentleman telling the House that, therefore, he will be impeded as a pedlar?

Mr. Chope: I hope, Mr. Deputy Speaker, that as a gentleman of good character, if I applied for my pedlar's certificate I would be able to get one.

5.15 pm

My hon. Friend makes a fair point. However, the problem is that this information is not available at the moment. If he looks at the Bournemouth council website, he will not be able to find out to which streets in Bournemouth the 1982 Act applies and to which it does not apply. It is a more complex issue. We have not yet got on to the penalties that will come by way of fixed penalty fines or seizures, but the consequences for a pedlar of operating unwittingly in a street in which he should not be operating can be very significant.

Mr. Leigh: My hon. Friend is making an important point that goes right to the heart of what we are talking about. This shows that instead of having these restrictive, bitty borough Bills, we need new national legislation. These peddling free souls are not the sort of people who go around town halls checking on BlackBerrys—they want to get on with running their traditional little business.

Mr. Chope: My hon. Friend is absolutely right.

These people will choose a different location for their pedlary on different days of the week. They will go to different towns and different parts of the country, as opposed to somebody who is familiar with their own local territory. That is one of the big distinctions between somebody who is a street trader and somebody who is a pedlar. As Mr. Smith said in giving his evidence, one of the restrictions on being able to get a street trading licence in Bournemouth is that the applicant cannot get one unless they are going to regularly occupy that stall.

Mr. Deputy Speaker: Order. After that little flurry, let us get back to time and place, shall we?

Mr. Chope: The fact that this Bill, if implemented, will not apply to the whole of Bournemouth makes all the stronger the case for saying, "Let's define specifically the part of Bournemouth where there is a problem and set it out in the Bill", so that the situation is as plain as a pikestaff to anybody visiting Bournemouth with a view to carrying on as a pedlar. The council concedes that the area I have described is that where the mischief takes place.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): In his amendment, is not my hon. Friend setting up a canard in order to shoot it down? If the Bill is to apply at all, would it not be better for it to apply to the whole of the borough? His proposal seeks to define that it should apply only to part of it. In relation to the displacement argument, he would concentrate the amount of peddling activity in certain parts of the borough, which would then become subject to the problem instead of the area that he seeks to exclude. Does he believe in the displacement argument? Does that argument apply in Manchester, where a peddling Bill is in place in certain boroughs but not in others? Is there a displacement problem in that metropolitan area?

Mr. Chope: The jury is out on whether there is a displacement problem. When I raised this issue on Second Reading, I was assured that that was not the case. The Durham university research, with which my hon. Friend is familiar because he managed this brief very ably on the Front Bench during the earlier parts of the proceedings on these Bills—

Mr. Clifton-Brown: I might do it again.

Mr. Chope: Perhaps not today.

What my hon. Friend said then was that the evidence in the Durham report suggested that there were different circumstances in different areas, and that there might well not be a displacement problem, because pedlars wanted to go where they would find the best atmosphere for peddling their wares. It suggested that that might vary at different times of year, depending on what products they were selling and so on. The displacement argument is probably discredited for the purposes of discussing the amendment. That is certainly my view,

and I hope that it is correct. If it is not, we may find that pedlars come to Christchurch borough, which adjoins Bournemouth. If they are lawful pedlars there is no problem, but unlawful pedlars would not be very welcome.

Mr. Ellwood: I do not follow this argument at all. If my hon. Friend has got the area wrong in the amendment, it would require an Act of Parliament to change it. That cannot be right. The amendment would represent the nanny state and Westminster telling a local borough council how to conduct its affairs. He has missed off an area in Boscombe, which is part of my constituency, where pedlars are often found, and an area in Southbourne where there are shops and a village-type centre, so again pedlars would be denied. It does not make sense. We must let Bournemouth borough council operate the system in its area.

Mr. Chope: My hon. Friend, who unfortunately could not get to the meeting on Monday, even though he set it up, knew then that I was proposing to move this amendment. Instead of our trying to have a meeting of minds on it, there has been a dialogue of the deaf, which is regrettable.

Mr. Ellwood: There would never be a meeting of minds given that my hon. Friend is trying to carve up my constituency and prevent the borough council from doing its job. As a Member of Parliament, he needs to back off from what are rightfully the borough council's operations. I stress again that it would take an Act of Parliament to change an area affected in Bournemouth were the scheme set out in the amendment to be conceived and not work. That cannot be right.

Mr. Chope: With the greatest of respect to my hon. Friend, it can be right, because we are talking about having an Act of Parliament to give a derogation from national legislation. I do not believe that we should have such a derogation except on the strongest possible grounds. Perhaps I can use an analogy to try to persuade my hon. Friend. It is possible for a borough council to designate part of its borough as an "alcohol disorder zone"—I think that that is the expression that is used.

Mr. Ellwood: That is for the council to do.

Mr. Chope: But it has to be done in accordance with national legislation, which sets out that an alcohol disorder zone cannot be set up unless there is evidence that there is a problem. My hon. Friend and I know that only this week in our neighbouring borough of Poole, the borough council decided not to set up an alcohol disorder zone because the councillors took the view that the criteria and requirements were not satisfied. I suggest to him that if we are to have a derogation from national legislation, it should apply only to the parts of the country where there is sufficient evidence to suggest that it is needed.

Mr. Bone: My hon. Friend is absolutely right. We are discussing an unusual process of giving a borough the right to do something that other boroughs in the country cannot do, and it should be restricted to the tightest possible area. If national legislation follows it can of course be extended, but at this stage it should be as tight as possible.

Mr. Chope: I am grateful to my hon. Friend for reinforcing that point.

Mr. Ellwood: I am still baffled as to how an hon. Member from a different part of the area can seek in an amendment to impose something on a constituency that he has nothing to do with. He can put forward the concept, but it should be for the borough council to determine the matter. I pose him a very simple question: how could a pedlar operate in Boscombe in my patch, under the amendment? I ask him to recognise the folly in what he proposes and withdraw the amendment now.

Mr. Chope: There is no evidence at all of an unlawful street trading problem in Boscombe. I therefore submit that there is no need to apply the measures in the Bill to the area. Boscombe would be relevant only if my hon. Friend accepts the displacement argument, but he has expressly argued against it. Instead, he has tried to satisfy me that there will not be a displacement problem in Christchurch, which I represent, as a result of the Bournemouth provisions. We need to try to keep things as clear and simple as possible.

The area that amendment 5 would define is very similar to the area of the alcohol disorder zone in Bournemouth. It is perhaps regrettable that we have been unable to have a proper dialogue about the details, for reasons I already set out. If we had had that dialogue, we might have been able to change the proposal to allow the area to be altered in particular circumstances. However, as things are, it is not apparent from any documents that are available at the town hall which parts of Bournemouth are subject to the provisions of the 1982 Act and therefore subject to the provisions in the Bill. That is unsatisfactory, because legislation should be clear.

We are also debating the corresponding amendment to the Manchester City Council Bill. I would be the first to admit that my knowledge of the city of Manchester is not as considerable as my knowledge of the town of Bournemouth. Therefore, rather than seeking to define the area in which operations in Manchester could be carried out by reference to streets—obviously, Manchester is an inland area and does not have a big trunk road like the Wessex way in Bournemouth—I thought it better to use a similar calculation to those used in London, namely ones based on so many miles, metres or yards from Trafalgar square.

I have therefore suggested, in the proposed amendment to the Manchester City Council Bill, that there should be a defined area bound by a circle with a 1 mile radius from Albert square. I do not know how well you know Manchester, Mr. Deputy Speaker, but I am advised by the locals that Albert square is very much the heart of Manchester—the town hall is there and it is easy to measure 1 mile from it on a map.

Mr. Bone: I have one small technical question. Amendment 7 uses the distance of 1 mile, but in the rest of the debate, we have been talking in metres. Should the amendment not propose a distance of 1.61 km?

Mr. Chope: No, it definitely should not. We spoke earlier of derogations. Fortunately, we still have the freedom in this country to refer to miles as a standard method of measurement of distance in relation to roads. We do not have to go to the metric mile, which is why I have proposed 1 mile. I hope that that is clear.

[Mr. Chope]

There is a very different situation in Manchester compared—*[Interruption.]* Is my hon. Friend the Member for Bournemouth, East making a sedentary comment about four minutes? Does he wish to intervene, or is he threatening me by saying he is going to move a closure motion in four minutes? *[Interruption.]* I see: he is talking about the four-minute mile. It is very difficult to concentrate when there are sedentary interruptions—*[Interruption]*—but my hon. Friend is continuing to make them.

It would be sensible to do the same in Manchester as in Bournemouth, because on the evidence put forward by the city council, that is where the problem lies. The area would be clearly defined and it is, after all, important that the law should be clear.

I also contend that these provisions should only be in force when necessary. When I had my initial discussions with Bournemouth council about amendments to the Bill, I made the point that as the problem does not arise 12 months of the year, but only in the summer and around Christmas, it would be sensible to limit the ambit of the Bill to those times.

5.30 pm

Mr. Ellwood: I ask my hon. Friend to withdraw this amendment because it would be madness to impose a time limit. We need control over pedlars' relationship with street traders throughout the year, whether on football match days, new year's eve or new year's day. There are many examples of celebrations and outdoor activities, such as Valentine's day, on which pedlars will want to do their business, and must do it correctly. To limit the Bill to the summer months is out of place and this amendment does not deserve to be anywhere near the Bill.

Mr. Chope: My hon. Friend was not at the meeting that I had at the town hall with Bournemouth borough council officers and councillors back in January or February 2008. I raised this issue, and they did not dismiss it in the same way as my hon. Friend has done. They went away to consider it, and they also discussed it with the promoters of similar Bills. It was agreed between them that none of them would give any ground and they would all stand in solidarity, irrespective of the merits of the arguments made.

Mr. Ellwood: As a representative of Bournemouth, I can confirm that this amendment would be very damaging to the town, as I am sure my hon. Friend the Member for Bournemouth, West (Sir John Butterfill) agrees. We need this Bill to work throughout the year, including Valentine's day and mothers' day, and not be focused on just one period. It would be unworkable and cost the borough council even more than at present. I urge my hon. Friend the Member for Christchurch (Mr. Chope) to listen to the arguments, not his recollections of previous conversations, and withdraw this amendment.

Mr. Chope: I hear what my hon. Friend says—

Sir John Butterfill: I support everything that my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) says. Bournemouth is almost unique in being a 12-month—

Mr. Clifton-Brown: Destination.

Sir John Butterfill: I am grateful to my hon. Friend: that is the word I was looking for. Holidays are taken throughout the year, and the town has expanded into the conference trade in a big way, as well as the language school trade. It operates for 12 months of the year: it is not a resort that closes down after the summer.

Mr. Chope: I hear what my hon. Friends say, but when the director of tourism was asked about this issue in the Opposed Private Bill Committee he made it clear that there was a problem at particular times of the year, especially in the summer and at Christmas. Now it seems that this is a problem the year round. If that is my hon. Friends' view, I can understand why they are opposed to the amendments.

Sir John Butterfill: Perhaps my hon. Friend misunderstood what he was told by the director of tourism. Certainly we have peak months, but there is a great deal of tourism and business activity the year round. I think perhaps there was a slight misunderstanding between our director of tourism and my hon. Friend.

Mr. Chope: I do not want to risk falling out with my hon. Friends the Members for Bournemouth, East and for Bournemouth, West (Sir John Butterfill) over this matter. Of all my concerns, my biggest relates to the Bill itself rather than the months in which it will operate. In the spirit of good will, therefore, I tell them that I will not press amendment 6 to a vote, although I have slightly different views on amendment 5.

Mr. Bone: I have heard the arguments about Bournemouth being a unique case, which I am prepared to accept, and I heard what my hon. Friends have said. However, does my hon. Friend the Member for Christchurch (Mr. Chope) think that that also applies to the Manchester Bill, which has an identical clause?

Mr. Chope: It is significant that although we are debating amendments to both Bills, we have not—if my recollection is correct—heard any comments, whether positive or negative, from anybody from Manchester about anything that has been said this afternoon. *[Interruption.]* My hon. Friend says that they moved the closure. Perhaps they did. I missed that point of detail. If that is true, it makes their behaviour so much more cynical.

We can have a perfectly good and healthy public debate about whether we should limit the application of the Bill in Bournemouth to June, July, August, September and December. My hon. Friends have put forward perfectly reasonable arguments saying, "Well, Bournemouth is a busy town the year round, and the problems discussed are problems 24/7"—to use that colloquialism—but we have heard nothing from Manchester Members, as my hon. Friend the Member for Wellingborough (Mr. Bone) mentioned. That suggests that the arguments that I have deployed about limiting the provisions to June, July, August, September and December would be relevant in Manchester, where notoriously—I think one could say—the weather is much inferior to that on the sunny south coast of England.

Indeed, when I was last in Manchester, during the Conservative party conference last year, it was drizzly and raining most of the time. The local people said, "That's par for the course. You're lucky it's not raining more heavily." Obviously, if one has such varying weather conditions—I am trying to provoke a response from some of the Members from Greater Manchester—it will impact significantly upon the ability of pedlars to go about their business, particularly if they are carrying the goods on their person. In dank conditions, there will be many fewer people on the streets. There will be less likelihood, therefore, of pedlars being around in very large numbers and of illegal activity about which a complaint might be made.

Mr. Clifton-Brown: I assume that my hon. Friend believes in the importance of the local democratic process and that local councils should have the power to make their own decisions. Why does he not think that it would be better to allow the Bill to go through, albeit with provisions to allow each council to which the Bill applies to make their own democratic decisions about the time and place, rather than having it dictated from the centre in this place?

Mr. Chope: My hon. Friend makes a persuasive argument, but the essential difference between these Bills and much local legislation is that most local legislation applies only to local people, whereas these Bills affect people who do not live in a particular locality. They might affect some local people—there is evidence of 200-plus pedlars being certificated and resident in Manchester; probably not all of them are in the city of Manchester, but they are within the Greater Manchester police authority area—but we are talking about a regime that will apply to pedlars whether they are normally resident in Cornwall or Northumbria, and that regime needs to be clear. If we have a different regime for pedlars in every town across the country, I submit that things will be pretty chaotic.

My hon. Friend is great localist, and so am I—in principle—but not when it comes to the application of national legislation. I am sure that he would be the first to concede that even when powers are given to local authorities—for example, to set up alcohol disorder zones—quite strong criteria are applied nationally to ensure no inconsistency of application between one local authority area and another. That is the point that I am trying to get across.

Mr. Leigh: The more I listen to my hon. Friend, the more it occurs to me that the provision that we are discussing is more like a local byelaw governing how people behave in a local park. However, that byelaw would apply to local people, whereas pedlars are nationwide. We would not dream of introducing a Bill to attack chemists or doctors. It is because pedlars are working class and unrepresented—they are a small group without a powerful lobby—that this House believes that it can treat them in this way.

Mr. Deputy Speaker: Order. The hon. Member for Christchurch (Mr. Chope) has been speaking for a considerable proportion of the time available. May I suggest that we confine ourselves to the issues that are the subject of his amendment and not get involved in a wider debate, which we have had on many previous occasions?

Mr. Chope: I certainly do not want to replicate the wider debate, Mr. Deputy Speaker. Let me bring us back to what the amendments do and note that no one from Manchester has raised any objection to the points that I have raised about the Manchester City Council Bill. I urge the House to agree that the specific restriction that I have proposed for the Manchester City Council Bill—that the ambit of the legislation should not extend beyond 1 mile from the centre of Manchester as defined by Albert square—is probably the strongest argument that I can put forward from among all the amendments. Obviously it would be inappropriate to take up the House's time by voting on more than one amendment in the group. When it comes to the appropriate time, I would therefore seek to have a vote on that amendment to the Manchester City Council Bill, rather than on an amendment to the Bournemouth Borough Council Bill. I hope that my hon. Friends will see that as a reasonable way out of our predicament.

This will be my final comment on this subject, because I know that other people wanted to participate in this debate, but there is an analogy between what we are debating and legislation on shotguns. Shotgun certificates can be obtained from a police authority anywhere in the country, and they have national application. Would this House contemplate a situation where each local authority could legislate for the way in which shotguns could be used or operated in its area, even when the holder of a shotgun had a licence for it that had been issued on a national basis? The answer is that we would not.

5.45 pm

There is always a conflict between what is in the national interest and what is in the local interest. In this case, however, because there is national legislation relating to pedlars and because the pedlars' certificate has national application, it is wrong to say that local will should always prevail, especially if the consequent legislation is unclear, muddled and hard for pedlars to understand.

The latest Government consultation paper states that pedlars are, on the whole, entrepreneurial, and good with—

Mr. Deputy Speaker: Order. The hon. Gentleman is not following my guidance. We must come back to the points in question. I thought that he was winding up—

Mr. Chope: I am.

Mr. Deputy Speaker: In that case, may we proceed?

Mr. Chope: I am sorry, Mr. Deputy Speaker. My peroration was going on for longer than it should have done. I said that I would wind up, so I will. I have made my point, and I know that other people want to contribute to this important debate.

Mr. Deputy Speaker: Does the hon. Gentleman wish to press this amendment to a vote?

Mr. Chope: I will move that amendment—the amendment that we introduced—formally now. Then, perhaps, later on, when we come to the question of voting, I might seek leave to withdraw it and propose an alternative one.

Mr. Deputy Speaker: If the hon. Gentleman wishes to press those amendments that are connected with Bournemouth, perhaps he will clarify that.

Mr. Chope: My understanding was that we were voting on amendments relating to both Bournemouth and Manchester—

Mr. Deputy Speaker: Order. That one is debated now, but would be voted on later, so the hon. Gentleman has to decide. I am prepared to concede that there can be a Division on amendment 7 to the Manchester City Council Bill. We have debated it, but now, in sequence, we have to dispose of amendment 4, which he has proposed. If he wishes to withdraw that, and to move on, we will come to amendment 7 to the Manchester City Council Bill at a later time.

Mr. Chope: I am grateful for that clarification. I had not realised that the proceedings were going to be as elongated as that, Mr. Deputy Speaker. In relation to the vote that we had on the previous group of amendments, relating mainly to clause 5, it seemed from your ruling that it would still be possible to vote on one amendment in that group when we get to the Manchester voting. Is that right?

Mr. Deputy Speaker: I hoped that I had made it clear that it will be possible to have a vote on amendment 7 to the Manchester City Council Bill, which I understand from the hon. Gentleman's words is the one that he wishes to divide the House on. However, we still have to dispose of the amendments in this group. Do I take it that he wishes to withdraw amendment 4?

Mr. Chope: No, Mr. Deputy Speaker. I will not withdraw amendment 4. I will seek to press amendment 4 to the vote, but not the other amendments.

Mr. Deputy Speaker: I must say to the hon. Gentleman that amendment 4 is the paving amendment for the two other amendments connected with Bournemouth. If I may respectfully say so, it would not be very logical for him not to press amendments 5 and 6—for which amendment 4 is the paving amendment—if his interest is in having a substantive vote on amendment 7 to the Manchester City Council Bill.

Mr. Chope: My understanding is that, unless I propose an amendment, it will not be possible for the debate to continue. An amendment needs to be proposed—

Mr. Deputy Speaker: Yes, if the hon. Gentleman wishes the debate on amendment 4 to continue.

Mr. Chope *indicated assent.*

Mr. Deputy Speaker: The Question is, That the amendment be made. I call Mr. Peter Bone.

Mr. Bone: Thank you, Mr. Deputy Speaker. I intend to be brief, as we have already gone into many of the subjects in great detail.

My concern about the amendments is that they relate to a private Bill that will

"seek rights and powers over and above those sanctioned by public acts or the common law".

We are not debating a Bill that has been proposed by the Government; we are debating matters that relate to specific areas and are above the normal law. In my view, we must draw the provision as tightly—*[Interruption.]* I hear a sedentary comment that it is law in London, but what we are talking about today is Bournemouth and Manchester. If we are to do this properly, we should draw the provisions as tightly as possible. Amendment 7 relates to Bournemouth and there are similar amendments on Manchester; they relate to particular areas and minimise the extent to which the Bills exceed national law, which must be to the good. I have heard no arguments to the effect that the Manchester area is not defined. I certainly encourage my hon. Friend the Member for Christchurch (Mr. Chope) to press his amendment to the vote.

We have heard different arguments about Bournemouth. I am prepared to concede that they may apply because of the 24/7 culture of the whole borough of Bournemouth, so that that area should be included. I will not support the amendment on Bournemouth but I will support the one on Manchester. As for the amendment dealing with the period over which the Bill will apply, there is a compelling argument for the House to draw the legislation as tightly as possible in order to stop infringing the rights of pedlars. That amendment makes a lot of common sense, so I will support it as well.

Mr. Leigh: I rise to support amendments 5 and 6. In a sense, the House of Commons is beginning to make itself look rather ridiculous, if it is getting down to the level of detail of whether peddling should take place in the wider Bournemouth area or in the area bounded by Wessex way to the north, the sea to the south and Durley Chine to the west. I am not as familiar with Bournemouth as I should be, but this underlines the point I tried to make earlier—that it is probably a mistake for the House to get down to this level of detail. It would be much better to have a broadly based Bill to regulate peddling and ensure that pedlars operate generally in the way they are traditionally supposed to operate.

I accept that there may be a problem nationally in that the nature of peddling is changing and the old-fashioned traditional pedlar with whom we are familiar is perhaps being replaced by a species of person who might come from abroad and who might try to displace urban traders. As I have said, I accept that there may be a problem with that nationally, but if that is true, the Government need to get their act together and bring in a national Bill.

Here we are talking about a level of detail applying to pedlars that determines whether or not they can trade in a particular location. These are people who move around the entire country. Questions were raised earlier about whether these people do or do not have enough local knowledge, whether they use their BlackBerrys, whether they go to the town hall or whether leaflets are issued nationally. That shows some of the problems that will be imposed on these people.

Generally speaking, it is bad for the House to create more and more prescriptive rules and regulations that make it more and more difficult to be law abiding. Why

do we assume that these people are not law abiding? Why do we assume that they do not want to carry on their traditional trade? Why are we telling them that it is perfectly lawful to trade in a certain area of Bournemouth, but not in another area of Bournemouth.

If we move on to amendment 6, it becomes even more absurd, as it deals with times of the year, making it very difficult to know what is going on. Our debate about place and time, led so ably by my hon. Friend the Member for Christchurch (Mr. Chope), is an important one: it is not just a narrow issue; it goes to the heart of the Bill. To what extent are we prepared to start interfering with what has traditionally been seen as a lawful activity? If the number of complaints were huge, I would accept that there was a problem. However, the information I have received is that one authority complains once a month. That is hardly a great issue that should be debated on the Floor of the House.

I wish that we were not discussing the Bill at all, but my hon. Friend the Member for Christchurch is trying to restrict the area of Bournemouth to which it applies. Apart from him and my hon. Friends the Members for Bournemouth, East (Mr. Ellwood) and for Bournemouth, West (Sir John Butterfill), I doubt that anyone in the Chamber, including you, Mr. Deputy Speaker, is familiar in any detail with what constitutes the area bounded by Wessex way, the sea to the south and so on. Why are we debating it? We must take the word of my hon. Friend the Member for Christchurch that the area is a sensible one to define.

Mr. Chope: Will my hon. Friend accept that the director of tourism agreed in our meeting on Monday that the area was prima facie a good one to define?

Mr. Leigh: I believe what my hon. Friend tells me, but if the area in question is the best one, why is it not in the original Bill? We all know what would happen if a vote took place—Members who were not familiar in any shape or form with Bournemouth would be told by the Whips that they should get the Bill through and pile into the Lobby.

Mr. Deputy Speaker: Order. This is very interesting, but it has nothing to do with the amendment.

Mr. Leigh: Of course I take your strictures, Mr. Deputy Speaker.

To conclude, if the Bill is to be imposed, let us ensure that its provisions do as little damage to the peddling community as possible. Let us support my hon. Friend's amendment, which would at least restrict the area to the town centre, so that we do not force pedlars out of business in the wider area.

Mr. Chope: I am conscious that we have not had a substantive contribution to the debate from my hon. Friends the Members for Bournemouth, West (Sir John Butterfill) and for Bournemouth, East (Mr. Ellwood) other than through useful interventions. We have had no discussion whatever in relation to Manchester city council. On day two of the Opposed Private Bill Committee, Superintendent Lee made it clear in his evidence that the problem in Manchester is confined to places such as Albert square and Piccadilly, and that it is limited to times such as the Christmas lights switch-on, which is one of the big events of the year in Manchester. If the Bill passes unamended in relation to time and location, its ambit will cover every month of the year and every street in the city of Manchester, the case for which has not been made.

The wider the ambit of such restrictive legislation, the more difficult it is to have a sensible enforcement regime.

Mr. Deputy Speaker: Order. The hon. Gentleman has been given the opportunity to wind up, not to repeat his previous speech. It would be helpful to the House if he made his intention clear.

Mr. Chope: I will—

Mr. Leigh: Will my hon. Friend reply to my point, as he is perfectly entitled to do, in his winding-up remarks? It is difficult for us who are not familiar in any detail with Bournemouth to come to a conclusion on whether the area for peddling should be bounded by Wessex way to the north and the sea to the south. How can we have such local knowledge?

Mr. Chope: My hon. Friend is right. How can we have the local knowledge? Pedlars up and down the country are in the self-same position, because they want some certainty. They want to know which parts of the boroughs—

6 pm

The debate stood adjourned (Standing Order No. 9(3)).

Debate to be resumed on Thursday 28 January at 3 pm.

MANCHESTER CITY COUNCIL BILL [*LORDS*]

Bill to be considered on Thursday 28 January at 3 pm.

LEEDS CITY COUNCIL BILL

Bill to be considered on Thursday 28 January at 3 pm.

READING BOROUGH COUNCIL BILL

Bill to be considered on Thursday 28 January at 3 pm.

Sir John Butterfill: On a point of order, Mr. Deputy Speaker. There was a problem during the Division on the closure motion. I was one of those who were looking after the situation, and I went into the toilets to ensure that no one was left in there before we closed the procedure with the Tellers. When I came out—having found no one in there—the Clerks were still in their places, but one of my colleagues had gone through and said "All out", which meant that the Tellers did not have an opportunity to record accurately that I was still going through. The Clerks say that only you, Mr. Deputy Speaker, can ensure that my name is included as one of those who voted in the Division.

Mr. Deputy Speaker: If that is in my power, I so order, but in any event the hon. Gentleman has made it absolutely clear to the House and those who follow our affairs what his intention was. I think the conclusion that we can draw is that it pays to be fleet of foot.

Prostate Cancer (Abiraterone)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Heppell.)*

6.2 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I am pleased to have secured an Adjournment debate on the diagnosis of prostate cancer and trials of the drug abiraterone.

Ten thousand men die of prostate cancer every year. A welcome recent development was an advertisement on television by Bob Monkhouse. His wife, now regrettably deceased herself, kindly allowed the use of images of her late husband talking about prostate cancer while walking around a graveyard. Having spoken to quite a few people about the advertisement, I know that it is remembered because it was so effective.

I very much hope that in future, when the Government put out public broadcast advertisements, a little more imagination is used, and lessons can be learned from the Bob Monkhouse video. It is important to ensure that people remember the issues rather than thinking, "It is just another Government advert, yet more Labour spin", and forgetting about it. If we are going to spend this money, we ought to think imaginatively so that we can build on the Bob Monkhouse advertisement in a way that resonates.

I have called this debate because a constituent of mine, Mr. Roger Walker of Shrewsbury, suffers from prostate cancer. Earlier this evening, I sent the Minister a copy of a very emotional letter that I had received from Mr. Walker. I hope that, if the Minister has not yet received the letter, he will take time to have a look at what my constituent has written to me about the extraordinary suffering that he has undergone as a result of not having prostate cancer diagnosed effectively when he first sought help.

My constituent decided to see his local general practitioner because he was going to the toilet far more often than was normal, and his brother, who at the time was dying of prostate cancer, had informed him that that was a symptom. Very regrettably, his brother subsequently died. His father has also died of prostate cancer, as has his uncle. Therefore, there is a history of the men in the Walker family being affected by prostate cancer.

Mr. Walker went to see his GP, but he was not given a screening test, despite informing the practice that his brother, father and uncle had all died, or were dying, of prostate cancer. Nor was he given a prostate-specific antigen—PSA. However, such was the perseverance of Mr. Walker—he is a strong, powerful and persuasive man, who makes his point very well—that he doggedly kept going back to the medical practice until he was finally granted a PSA. He was diagnosed with prostate cancer at the Royal Shrewsbury hospital. That diagnosis, however, came 10 and a half months after his initial approach to the doctor, and that 10 and a half months has had a great impact, as it would have on anybody living with a disease such as prostate cancer without being diagnosed. That leads to huge complications, and any other medication and available treatments were, of course, not used in that period.

I am not criticising in any way any of the NHS staff in Shrewsbury—either people in the medical practice or anybody who dealt with Mr. Walker. I am very proud of the NHS staff in Shropshire; we have very good staff. If there have been individual problems in respect of individual doctors or others who dealt with Mr. Walker, however, that will be addressed by the General Medical Council. My purpose is to let the Minister know what happened to my constituent, and to highlight his case to him.

What would I like the Minister to do? An article was printed in the *Daily Mail* on 8 July, including an interview with the leading researcher, Dr. Johann de Bono from the Royal Marsden hospital. The title of the article was: "The prostate cancer 'wonder pill' set to save thousands every year". It stated that there had been

"a dramatic breakthrough against a lethal form of prostate cancer."

Mr. Walker read the article and it gave him significant hope. It said:

"Trials of a new pill have shown that it can shrink tumours in up to 80 per cent. of cases, and end the need for damaging chemotherapy and radiotherapy...Abiraterone is now being used in a 1,200-patient international study, including at ten sites across the UK. If it is licensed as expected in 2011, it will have to await approval by the rationing watchdog NICE before it is made freely available across the NHS."

I do not want Mr. Walker, my constituent who has been through so much pain, to have to wait for the drug to be licensed in 2011 and then for it to be approved by the National Institute for Health and Clinical Excellence. I very much hope that he will be allowed to be one of the people in the United Kingdom who is involved in this international study, and be given the drug abiraterone so that his life can be prolonged.

I have written to Dr. de Bono about this, and he wrote back to me saying that he will consider Mr. Walker's case only if he is referred. I therefore want to let the Minister know that I have today written to the chief executive of the Royal Shrewsbury hospital, asking for Mr. Walker's referral appointment, which is not due until the end of February, to be brought forward. He can then be seen as quickly as possible at the hospital and be referred as quickly as possible to Dr. de Bono at the Royal Marsden hospital, so that he can be considered for the drug abiraterone.

An interesting point is made in the article, to which I would like the Minister to respond. It states that Dr. de Bono

"describes prostate cancer as the 'Cinderella cancer' because it receives just a quarter of the funding of breast cancer".

Interestingly, in the UK the same number of people die from prostate cancer as from breast cancer, but prostate cancer research receives only £10 million per annum, whereas breast cancer research received £40 million last year. I am rather concerned about that big difference.

In the time left available to me, I want to make a few points that were passed on to me by the Prostate Cancer Charity, which has kindly provided me with a briefing paper for this debate. It informs me that the United Kingdom National Screening Committee is reviewing an introduction of a national prostate cancer screening programme later this year. This eminent charity says the following:

"Recent research has found that screening for prostate cancer using the PSA test can reduce the number of deaths from the disease by 20 per cent. However, the authors of this study also stated that a national screening programme would lead to a significant level of over-diagnosis of 'harmless' prostate cancers. This means that current evidence does not appear to show that a

national screening programme for prostate cancer, using the PSA test, could achieve an acceptable balance between benefit (through lives saved) and harm (though over-diagnosis and false positive and false negative results)."

I would very much like to know the Minister's attitude to the National Screening Committee's reviewing and to the point made by the charity.

I feel passionately and very much agree with this point from the charity:

"The Prostate Cancer Charity does not currently support the introduction of PSA-based national prostate cancer screening programme. However, the Charity strongly supports the right of every man over the age of 50 years—and younger men at higher risk of prostate cancer—to make an informed choice about whether he should have a PSA test."

That is very important, and I would like the Minister to confirm that anybody in the United Kingdom who is over that age or who has a history of prostate cancer in the family, as my constituent had, should be able to go to their doctor and demand a PSA test because of their concerns, particularly if they are showing early symptoms.

The Department of Health policy states that all men are entitled to make an informed decision about whether they should have the PSA test. Currently, information about the PSA test is delivered to men through the prostate cancer risk management programme—PCRMP. Under the current implementation of the PCRMP, for men to receive balanced information about the PSA test from their GP they must first be aware of prostate cancer and the PSA test, and then request to see their GP for further advice. That is the main crux of what I wish to put to the Minister and of what the Prostate Cancer Charity wishes to say.

Recent research by the charity has found that

"around 50 per cent. of 50-70 year old men are not aware of the PSA test".

That refers to my point about the need for effective advertising. That figure of 50 per cent. is incredible, so I very much hope that through my having this Adjournment debate and my local media taking up the issue in Shropshire, my Salopian constituents will begin to find out more about the PSA test.

The charity also found that

"awareness of the PSA test is lower among men from lower socio-economic groups"

and that

"82 per cent. of GPs were not aware of the PCRMP".

Finally,

"20 per cent. of GPs did not think that asymptomatic men should have access to the PSA test."

That is of great concern to me. I do not understand—I hope that the Minister can give me an answer—how a GP could be against a PSA test if their patient was showing signs of prostate cancer. I am not a medical man, but it seems highly logical that they would always support a PSA test. Perhaps the Minister can enlighten me on that. Those findings highlight the broad lack of awareness about the PSA test as well as the barriers that some informed men might face when requesting a test from their GP.

It has been a great pleasure for me to be able to highlight the risk of prostate cancer and to play a small part in trying to highlight the terrible issues that surround this appalling disease and illness. This is one of those occasions as a Back Bencher when one realises just how worth while this job is—when one can highlight a constituent's suffering on their behalf and try to cut through the red tape in some way by raising it with the Minister.

I feel passionately about Mr. Walker's case and want to do something to help him. He is a grandfather with five beautiful grandchildren and I hope that by raising this issue I can ask the Minister, although he is a very busy man, to help me and my office as we try to support Mr. Walker through these difficult times.

6.16 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): May I begin by congratulating the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing this debate? I can think of few things more important than our fight against cancer, and that is why we have put in place the national two-week targets for people to be able to see a cancer specialist. It is also why we recently announced that we need to ensure that cancer diagnosis tests are completed within one week. We want to ensure that these improvements in cancer health are put in place quickly.

This terrible and insidious disease will touch most of our lives at some point—through members of our family, because we know someone who has cancer or because we battle it ourselves. The hon. Gentleman asked what action the NHS is taking to ensure that cancer, patients are given the early diagnosis and treatment that are so vital in dealing with the disease, but before I talk about that perhaps I can first address his concerns for his constituent, Roger Walker. The hon. Gentleman rightly drew attention to the Bob Monkhouse advert, which I, too, thought was extremely effective. People do remember it.

I was very sorry to hear that Mr. Walker has been diagnosed with prostate cancer. I have not had his letter yet, but I shall certainly read it, as the hon. Gentleman requests. I understand that Mr. Walker's brother, father and uncle died from this disease. We know that this particular cancer can cluster in families, with about 5 to 10 per cent. of cases thought to have a substantial inherited component. At present, there are no definitive guidelines for screening in such high-risk families because of the uncertainties about the effectiveness of testing and treatment, which was mentioned by the hon. Gentleman. However, the leaflet that GPs give to patients who are concerned about prostate cancer clearly states:

"The risk is greater for men who have a family history of prostate cancer".

Bearing in mind Mr. Walker's family history and the importance of early diagnosis to successful treatment, I can understand his concern at not being offered the prostate-specific antigen, or PSA, test by his former GP at the earliest opportunity.

On 16 July 2007, Mr. Walker registered a complaint with the General Medical Council about his then GP's failure to make a timely referral and diagnosis of the cancer. I understand that after looking at the patient notes, the GMC closed the case with no further action as it considered that

"on the basis of the evidence available, there was no realistic prospect of proving his GP's fitness to practise was impaired to a degree which would warrant action on his registration."

[Mr. Mike O'Brien]

On 19 May 2008, Mr. Walker provided the GMC with further evidence, leading to the reopening of his case. An investigation is ongoing and I am sure that the hon. Gentleman will appreciate that neither he nor I can comment further on that.

The hon. Gentleman also asked me to consider Mr. Walker's request to participate in the ongoing trials of abiraterone. Such matters are not for Ministers: quite rightly, they are not political decisions and so are beyond Ministers' influence. Whether a person is appropriate for trials of a particular drug is a wholly clinical decision, and I am told that subjects are selected according to the strict eligibility criteria that are set to test a drug's safety and efficacy.

In other words, a group is selected for the testing of a particular drug, but unfortunately, some people do not meet the criteria. I am advised that it appears that Mr. Walker is one of those who do not meet the criteria, but the hon. Gentleman has written to the chairman of his PCT and I hope that the matter will be examined and an appropriate decision taken. Mr. Walker is dealing with a multidisciplinary team at Shrewsbury and Telford hospital, and I am told that the team will be looking at alternative clinical trials that may be more suitable for his condition.

I turn now to the other matters raised by the hon. Member for Shrewsbury and Atcham. Everyone involved in cancer care is dedicated to improving outcomes for people with cancer. The goal of the Government's 2007 cancer reform strategy is to deliver cancer care outcomes that are among the best in the world.

In 2008-09, the Health Secretary spent more than £5 billion on cancer services in England, and that is more than 5 per cent. of all NHS spending. Spending on cancer services has increased by more than a third over the past five financial years. There are now around 1,500 multidisciplinary cancer teams working to improve the delivery of treatment and care for cancer patients. The result has been that mortality rates for cancer fell by almost one fifth between 1996 and 2008, which means that every year there are more than 9,000 people walking around who previously would have died.

Today, on average, 95 per cent. of people see a specialist within two weeks of referral for suspected cancer. In Mr. Walker's local hospital, the Shrewsbury and Telford hospital, the rate is even higher, at 99.5 per cent. That is a very good rate and, since April last year, all patients undergoing treatment for cancer, the effects of cancer or the effects of cancer treatment are entitled to free prescriptions.

In 2000, the Government published the NHS prostate cancer programme, in which we set out our commitment to improve prostate cancer services. The hon. Gentleman is right to say that we need to continue to work on prostate cancer, as it is an area in which a lot of improvement is still needed. By improving the early detection and diagnosis of prostate cancer, by improving the treatment and care that patients receive, and by enhancing research into the disease, our aim was to ensure that we could assist those men who may be at risk.

Early diagnosis is an important part of effective treatment for prostate cancer. From next year, and over the following five years, we will roll out diagnostic tests that can confirm or exclude cancer within a week. We believe that faster access to diagnostic tests, alongside work on early detection, will help save up to 10,000 lives a year. Screening is therefore an important tool in early diagnosis, and that is why we have developed world-class screening programmes for breast, bowel and cervical cancers. Although there is currently no automatic national screening programme for prostate cancer, we remain committed to introducing new screening programmes as and when they are proven to be both clinically and cost effective.

Research published last March in the *New England Journal of Medicine* has shown for the first time that screening for prostate cancer can reduce the death rate by 20 per cent. However, it also showed that more than 1,410 men needed to be screened to save one life—and that 48 of those would end up being treated unnecessarily, with all the side effects that that can cause. There are therefore problems to do with screening that we really need to resolve before any test is introduced on a national basis, because treating 48 people unnecessarily to save one life would pose significant difficulties. We have asked the UK National Screening Committee to review this evidence and to make a recommendation on prostate cancer screening by the autumn of this year.

As part of our prostate cancer programme, we have established the prostate cancer risk management programme, to which the hon. Gentleman referred. This ensures that men considering a prostate-specific antigen test are given the information that they need about it. For a while a PSA test can help with diagnosis, but it is not perfect. Some men with prostate cancer do not have raised PSA levels, and, depending on the cut-off level used, two thirds of men with raised PSA levels do not have prostate cancer, so the test is not perfect. It can lead to false-positive and false-negative results, and that is why PSA tests divide opinion among GPs and, indeed, other clinicians. Some are concerned about them because of those issues, and the PSA test cannot distinguish between men with slow-growing prostate cancer, which may have no effect on a man's natural lifespan, and those who have a more aggressive disease.

The hon. Gentleman asked about choice. In 2010 all GPs in England were sent a pack of materials to give their patients the information that they need to make an informed choice about the PSA test. Our policy, as he rightly says, is that if a patient wants a test, after considering the benefits, limitations and risks associated with it, they should receive one on the NHS. Based on an evaluation of the ongoing prostate cancer risk management programme, a revised information pack was sent to GPs in July 2009, six months ago. In August the chief medical officer then wrote to all GPs to remind them that their patients should be given access to PSA tests in accordance with the PCRMP.

A lot of information is thrown at GPs, so we need constantly to remind them to do various things, because we ask them to do so many. The hon. Gentleman is right that, sometimes, feedback from polls states that some GPs do not know about the test. It does not mean that they have not been told; it may mean that they have been told but, given the sheer volume of information that they are sent, have forgotten it or do not have it at the forefront of their mind.

It was recognised that some GPs are unaware either of the original pack or of their patients' right to a PSA test, so an action plan to engage GPs better has been

developed. There has already been a trade media launch and a webcast, and GPs now have the PCRMP materials on their IT systems, helping them better to support their patients. Other plans to remind them include a roadshow for GPs and a peer-reviewed paper in the *British Medical Journal*. The campaign to alert men to prostate cancer is therefore enormously important, and I welcome the stories that have appeared in the *Daily Mail*. That work is valuable in alerting men and getting them to go to their GP if they have problems, and reminding GPs that men should be given the PSA test. Such campaigns can save the lives of many men, so I welcome the work of the *Daily Mail*. Whether the drug that we have discussed is a "wonder pill" is another matter, but we will see what the outcome is of the clinical trials.

Once diagnosed, patients are entitled to receive the best possible care on the NHS. The National Institute for Health and Clinical Excellence has published a series of improving outcomes guidance covering all major cancer tumours, including urological cancers such as prostate cancer. It recommended the way in which primary care trusts and cancer networks should organise cancer services to ensure the best outcomes, and the national cancer action team monitors progress against those plans. In 2008, NICE also published new guidelines on the diagnosis and treatment of prostate cancer, and they recommended good practice based on the best available evidence and professional opinion.

However good our treatment today, we must always strive for more, as the hon. Gentleman rightly said. We can still continue to do better. The Government are among the largest funders of cancer research, along with the industry and the cancer research charities. Through the Medical Research Council and the National Institute for Health Research, we fund about £250 million of cancer research every year. The vast majority of this money supports clinical trials and research undertaken by our partners in the public and charitable sectors. We are very proud of our record of excellence in health research and of what its results mean for people not only in the UK but around the whole world. Britain is one of the leaders in cancer research. The Government are determined to continue to do whatever we can in the fight against cancer: it is an enormously high priority for us. Our excellent record of high investment and high ambition is saving more lives today. We have a long way to go in the fight against cancer, but we must, and will, strive to do more.

Finally, I wish Mr. Walker well in his continuing treatment and hope that it brings with it some success.

Question put and agreed to.

6.30 pm

House adjourned.

House of Commons

Monday 25 January 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CHILDREN, SCHOOLS AND FAMILIES

The Secretary of State was asked—

GCSE Grades

1. **Martin Linton** (Battersea) (Lab): Which five schools have shown the greatest increase in numbers of passes of GCSE grades A* to C since 1997. [312577]

The Minister for Schools and Learners (Mr. Vernon Coaker): We are unable to make a statistically valid comparison of results for all schools individually between 1997 and 2009. However, 45.1 per cent. of pupils achieved five or more good grades—A* to C— in 1997 and that rose to 70 per cent. in 2009.

Martin Linton: I know that the figures are now normally given including English and Maths and so no straight comparison is possible with those from 1997. However, on the basis of the figures that are comparable—those for straight GCSE passes—is the Minister aware that the results of Battersea Park school in my constituency have improved by 66 percentage points, from between 4 and 5 per cent. in 1997 to 70 per cent. now? Does that not make it the most improved school over that period in the country?

Mr. Coaker: It certainly makes it one of the most improved schools in the country over that period, and I congratulate all the staff, pupils and parents at Battersea Park school on all the work that they have done. My hon. Friend is right to draw attention to the improved results in obtaining five A* to C GCSE grades—as he says, the figure for his local school has risen from 5 per cent. in 1997 to 70 per cent. in 2009. He may be interested to learn that 11 per cent. of Battersea Park school's pupils gained the benchmark of five A* to C GCSEs including English and Maths in 2005, whereas 36 per cent. of its pupils did so in 2009. However one measures it, Battersea Park school has made significant and substantial improvements, and should be congratulated on doing so.

Mr. Nicholas Soames (Mid-Sussex) (Con): I welcome any improved results, but does the Minister agree that the basic standards of literacy and numeracy in this country are nowhere near good enough for a country that is attempting to compete in a global economy?

Mr. Coaker: I do not accept that numeracy and literacy standards are nowhere near where they should be—a significant rise has taken place in those standards. The number of primary school pupils gaining level 4, which is the benchmark that we use, has risen significantly. I mentioned the GCSE results at Battersea Park school, but the results of other secondary schools up and down the country also show a significant improvement. Are we satisfied with that and do we want to do more? Of course we want to do more, which is why we are introducing one-to-one tuition in primary schools. Such tuition will be carried on into secondary schools and will be backed up by the resources and investment needed.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Is my hon. Friend aware that the number of pupils obtaining five good GCSEs in Westminster has more than doubled since 1997? Will he join me in congratulating Martin Tissot and the teachers and pupils at St. George's school? That school had a particularly troubled history and the fact that it has just been recognised as the most improved school in London shows what can be done with a combination of excellent leadership and resources.

Mr. Coaker: Of course I join my hon. Friend in congratulating the school in her constituency and Martin Tissot on his work. It goes to show that schools that have good leadership, work with their communities and focus on teaching and learning can, even in the most difficult circumstances, raise standards and improve results. That is what has happened in the school that she mentions, and it is happening in schools up and down the country.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): Is the Minister not concerned that nearly half of the 75,000 children on free school meals do not get a single GCSE above a grade D; that fewer than 4 per cent. of those 75,000 children are even entered for a GCSE in biology, physics or chemistry; that the independent sector now accounts for nearly half of all A* grades in GCSE French and achieves more A grades at A-level than all our comprehensive schools put together; and, most damning of all, that the achievement gap in GCSEs between the poorest areas of the country and the richest is widening—from 20 percentage points last year to a staggering 25 percentage points this year? Why, when pupils and teachers are working harder than ever, are this Government generating deeper and deeper inequalities?

Mr. Coaker: The key stage 4 results for children on free school meals are rising faster than the average, and between 2002 and 2009 the number of pupils on free school meals achieving the equivalent of five A* to C grades at GCSE rose by 26 percentage points. It does not do the hon. Gentleman justice to keep pointing negatively at the achievements of those on free school meals. Significant improvement has been made in respect of those pupils, many of whose schools face the most difficult and challenging circumstances. Do we want to achieve more? Of course we do, which is why there has been a focus in those schools on standards and why, over time, we will also see an improvement in numeracy and literacy, particularly through the introduction of one-to-one tuition. As I say, there are things that we

need to do and we need to do more, but more will not be achieved by simply decrying the achievements of schools that serve the most difficult areas.

Education Maintenance Allowance

2. **Nia Griffith** (Llanelli) (Lab): What his policy is on the future of the education maintenance allowance; and if he will make a statement. [312578]

The Secretary of State for Children, Schools and Families (Ed Balls): The pre-Budget report announced an investment of £8.2 billion in 2010-11 to fund 1.6 million places and meet our September guarantee to school leavers of a school, college or apprenticeship place. We expect to spend about £580 million on education maintenance allowances which will fund a further 80,000 places, and in 2011 we will remove the EMA bonus scheme to ensure that we can guarantee EMA payments to all students who need them.

Nia Griffith: Many young people in my constituency have benefited from what the Welsh Assembly Government have done in parallel with the Department. They use the money wisely to help young people stay in education beyond 16. Does the Secretary of State share my concern that some people are talking even about depriving young people of such things? For example, the nationalist Government in Scotland have decided to steal the money from the young people who need it most—those who are staying on in school and trying to do the best they can for their futures.

Ed Balls: This is rightly a devolved matter, so it is for the Administrations in Wales and Scotland to decide, but the evidence shows that EMA payments increase participation in education beyond the age of 16 for children from poorer backgrounds. Any decision to scale back funding for EMA payments would be a very retrograde step.

Julia Goldsworthy (Falmouth and Camborne) (LD): My constituent, Mrs. Nicholas, is a widow with twin daughters, Emily and Sarah, who are clever enough to be studying for their A-levels a year ahead of their age cohort. As a result, they have been told that they do not qualify for the education maintenance allowance. Is that not an unfairness? Will the Secretary of State pledge to put it right?

Ed Balls: I am happy to look at the details of the case raised by the hon. Lady. If she gives me those details, I shall write back to her. The purpose of the EMA is to ensure that finance is not a barrier to young people staying in school, college or an apprenticeship place after the age of 16 as they go into further study. There would be an even greater barrier if those places did not exist. At least with the Labour party, people know that there will be a school leavers' guarantee this September.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree not only that education maintenance allowances have been a success but that when they are clustered with what we have done in opening up diplomas, which are growing healthily, and with new apprenticeships, they give 14 to 19-year-olds a real alternative for the first time in the history of education in our country?

Ed Balls: I am grateful to my hon. Friend for that question. The fact is that we have a higher number of young people staying on in education after 16 than we have ever had, and that is really good preparation for when education to 18 becomes the law in a few years' time. Whether education takes place in school, in college or through an apprenticeship, it is vital to have qualifications that meet the needs of every student, whether they are more academic or want more vocational learning. It is also vital to ensure that they are not pushed down one route because their family says, "I'm really sorry, but you've got to go to work as we can't afford full-time study." That is what EMAs deal with. To propose that they should be scaled back or abolished would be a very retrograde step for social justice in our country.

Sex Education (Faith Schools)

3. **Mr. Peter Bone** (Wellingborough) (Con): What recent representations he has received on teaching about homosexual relationships in faith schools. [312579]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): We are not aware of any specific representations from faith schools on teaching about homosexual relationships, although we are aware that it is of concern to some. We will be consulting on revised guidance to schools on sex and relationships education that makes it clear that schools have the flexibility to tailor their SRE provision to reflect the ethos of the school, but that teaching should be presented in a balanced way and should include other perspectives.

Mr. Bone: I am grateful to the Minister for that response. Do the Government agree with the leader of the Liberal party that schools should be forced to teach that homosexuality is normal and harmless?

Ms Johnson: Many faith schools are already teaching SRE very well. Schools have to teach within the context of their faith and their beliefs. They must present the accurate facts on homosexuality and do so fairly, and they can then, of course, talk about their faith, ethos and beliefs, too. They must also talk about tolerance, diversity and respect for all people who live in our communities and about the importance of rights and responsibilities.

Integrated Qualifications

4. **Mr. David Chaytor** (Bury, North) (Lab): What steps he plans to take to integrate academic and vocational qualifications. [312580]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Mr. Iain Wright): Our 14 to 19 reforms are the most comprehensive changes to this part of education policy for more than half a century. They are designed to put in place high-quality qualifications that match a young person's abilities, talents, interests

and aspirations. There are four clear qualification routes: apprenticeships, the diploma, foundation learning or GCSEs and A-levels.

Mr. Chaytor: I welcome the Government's effort to create a more integrated curriculum between the ages of 14 and 19. Does the Minister not agree that the shelf-life of the terms "vocational" and "academic" is coming to an end? The rigid segregation between what people perceive as vocational and academic is not helping to create parity. Do we need a new form of language to describe the curriculum?

Mr. Wright: I would go further than my hon. Friend. The fixation in certain quarters on categorising people at 11, 14, or 16 as academic or vocational and then labelling them as a success or failure accordingly has hindered our economic progress for more than a century. We need to focus on what is needed in the modern economy. What will success look like? Success will mean students learning to the best of their abilities and deploying transferable skills that can be applied in different settings. That is exactly what we want, and what the diplomas are providing. That is how our wider reform of 14 to 19 education is progressing.

Ofsted

5. **Miss Anne McIntosh** (Vale of York) (Con): What recent representations he has received on Ofsted's new powers of inspection. [312581]

The Secretary of State for Children, Schools and Families (Ed Balls): Schools, head teachers' representatives and directors of children's services are in regular contact with Ministers and the Department about a range of matters, including Ofsted inspections.

Miss McIntosh: Is the Secretary of State aware that Ofsted has changed the basis on which it inspects satisfactory schools but that that change does not appear on its website? Instead of a 20-day window for re-inspections of satisfactory schools, they are happening from one day to the next. Why is that not published on the website? Why is Ofsted acting as though it cannot trust any school or head teacher?

Ed Balls: This is not a change in Ofsted's powers, but it is a change in the framework for inspection. It started in September, after a long consultation. It is a deliberate raising of the bar to make our pursuit of high standards for all children in our schools even tougher and more demanding. A new framework always takes the first few months to bed down, and we shall see the details of that in a few weeks, when Ofsted does its report. However, I think that it is right that we are challenging all schools to ensure that all children succeed. That will be the basis for the new report card that we are introducing, and of the new Ofsted inspection framework, which I fully support.

Caroline Flint (Don Valley) (Lab): Ofsted also has a responsibility to inspect serious case reviews and, when one takes place, to sign off the summary for the courts. I do not agree that we should publish the serious case review in full, but I have some concerns about the guidelines for the summary, which I believe should tell the story and not just present recommendations. Will my right hon. Friend meet me and others who want to express that point of view?

Ed Balls: I would be happy to meet my right hon. Friend. She joins the widespread consensus when she says that she does not want the full review to be published, but she makes important points about the executive summary. In fact, over the past few months we have been consulting on revising the terms of reference for serious case reviews. That followed the report from Lord Laming earlier in the year, in which he said that we should continue not to publish the full review, but that we should put more information in the summaries. I agree, and that is what we intend to do, but I will have a meeting with my right hon. Friend and others to make sure that we proceed in the best possible way in the coming weeks.

Mr. David Laws (Yeovil) (LD): I am glad that the Secretary of State seems to be changing his position on this matter. Most people in this House got the impression last week that the Prime Minister was arguing that the National Society for the Prevention of Cruelty to Children supported the Government's existing position, which is to release only the serious case review summaries. Does the Secretary of State accept that the NSPCC changed its mind on this issue in November, and that it does not regard the existing position as sustainable? When, therefore, will we get some change in the arrangements?

Ed Balls: The hon. Gentleman needs to get his facts right when he makes a point like that. In May 2009, the Government responded to the report from Lord Laming in which he said that we should revise the guidance to children's departments on serious case reviews. We published a consultation in July, part of which said that we should have fuller executive summaries, and that is what we intend to do. We have had 146 responses to that consultation: while all but one of them supported withholding publication of the full report, they agreed that we should expand the amount of information in the executive summary. That is what we intend to do, and what we will do. It is also what the NSPCC said. In its statement after Prime Minister's questions last week, the NSPCC made it clear—and I agree—that we need to have high-quality summaries that give a full, transparent and accurate picture of agency involvement, including errors or failings. However, it also said:

> "Full reports should not be made public as sensitive information must be kept confidential to protect vulnerable children."

I agree 100 per cent. with the NSPCC, and I hope that the hon. Member for Yeovil (Mr. Laws) does so. We know that the official Opposition do not.

Mr. Laws: I do not know what the Secretary of State is making so much fuss about. If all he is saying is that a few pieces of sensitive information and issues of anonymity need to be dealt with, both sides of the House will agree. That is not a reason to keep the vast majority of full serious case reviews secret, as has happened. If the right hon. Gentleman is softening his position, it is merely a question of the degree to which the full reviews can be published. Will he assure us that the Government will table an amendment to the Children, Schools and Families Bill in order to have far greater openness than is currently the case?

Ed Balls: No, there is no need for an amendment because within the "Working together" guidance we are clear that although Ofsted expects those executive summaries to be full and comprehensive, and to have all the lessons that need to be learned, the full report should not be published for two reasons. The first is to keep the identity of all affected children anonymous and out of the public domain. The second, as the Association of Chief Police Officers said this afternoon, is to make sure that all lessons are properly learned, which would not happen before publication. That is what Lord Laming said; it is what I said in the summer and it is what we are doing. The NSPCC and 4Children agree with us. The only people who do not agree, I think, are the two Opposition parties, which surprises me. I do not see why they are taking that line.

Ann Coffey (Stockport) (Lab): I welcome the new draft minimum care standards for the inspection of children's homes, particularly standard 21, which refers to the effective and efficient management of those homes. In the future, that should lead to a more robust inspection framework and stronger sanctions against homes that fail to manage the behaviour of the young people in their care, which can cause distress to the wider community and jeopardise their own safety. Can my right hon. Friend give the House any further information about when the response to the consultation on the draft standards will be issued?

Ed Balls: I can. The consultation finished just before Christmas. I am grateful to my hon. Friend for her support for a very important set of changes that we are putting in place. We shall publish a full response on the guidelines in June, after we have discussed the findings of the consultation in further detail. Our aim will be to make sure that the guidelines are up and running in September and can be implemented in full from April next year, to coincide with Ofsted's new inspection framework. It is right to take the time to get them right, and that is what we shall do.

Michael Gove (Surrey Heath) (Con): As the Secretary of State knows, I wrote to him earlier today saying that I wanted to discuss the Edlington case with regard to this question. Ofsted says that the serious case review in the Edlington case is good. The Secretary of State has seen both the serious case review and the executive summary. Does he believe that the executive summary is a good piece of work?

Ed Balls: The judgment is a matter for the independent inspector—Ofsted—which reports directly to Parliament. Ofsted reports that in its judgment it is a good report within the current terms of reference, which we are revising and which, as I have already said, will say in future that we should have a fuller statement of what happened, including the timeline of events and the actions to be taken. Ofsted said it was a good report. I have read both the executive summary and the full report. In both cases, it is patently clear that very substantial failings in Doncaster led to those outcomes, although none of those failings could excuse the terrible acts that were perpetrated by children against other children in that case.

Michael Gove: I notice that the Secretary of State is hiding behind Ofsted's judgment. When Ofsted said that child protection in Haringey was good after baby Peter's death, the Secretary of State rightly ordered a joint area review, which came up with a very different judgment. Last year, the Secretary of State said that all future serious case review executive summaries should be fully comprehensive. Lord Laming called for a high-quality executive summary that accurately represents the full report, yet in this executive summary the history of what went wrong occupies only two and a half pages while the full serious case review is 150 pages. Will the Secretary of State now accept, as a variety of children's charities and leading experts on child protection have pointed out, that we must go further? As the NSPCC has said:

"The case for greater accountability within the child protection system is a compelling one."

Ed Balls: In the case of the Haringey report last year into the death of baby Peter, which the hon. Gentleman read in full, Ofsted judged the review and the executive summary inadequate, and I asked for it to be done again. In this case, Ofsted has reached a different judgment—that it is a good report. That is Ofsted's judgment; they are the people who are asked to make that judgment. In this case, the details are harrowing and awful. I have read the full report.

The issue about more information in the executive summary is important, and we discussed that a moment ago. The issue today, however, which the hon. Gentleman wrote to me about over the weekend and on which I have replied, is whether the full serious case review should be published. I have read the full report, as he read the full Haringey report. The reason why I will not publish the full report is that, in my judgment and those of the experts, and as he will know from the Haringey case, it contains details of the abuse suffered both by other children in the family and the victims themselves—detail which would either reveal their identities to other children in Doncaster or, for those who know that, would show that very clearly.

I have to say to the hon. Gentleman that a judgment that such detailed, harrowing, personal information should be put in the public domain would be wholly wrong and damaging to the children's interests. That is why ACPO, the NSPCC and all the experts agree with me and disagree with him. I know why he is saying these things—

Mr. Speaker: Order. I am extraordinarily grateful to the Secretary of State. This is an immensely important and sensitive matter, but we have a lot of other important matters that I want to get to, so this last exchange must be substantially pithier.

Michael Gove: Professor Eileen Monroe, Britain's leading academic expert on child protection, Anne Longfield of 4Children, Dr. Michelle Elliott of Kidscape and *Community Care*, the premier social work journal, are all calling for reform. Eileen Monroe stresses the case for full publication. The Secretary of State receives a copy of every SCR report fully anonymised, and so does Ofsted. Why cannot we have publication? After an aviation disaster, all of us know what went wrong, and the black box detail is published so that we can all keep children safer. Why is he standing in the way of keeping children safer?

Ed Balls: Anne Longfield of 4Children made it clear to me over the weekend that she does not support full publication, and nor do ACPO and the NSPCC. I know the hon. Gentleman's motives, but they are not putting the interests of children first. It would not be possible, even with a redacted version, to stop detailed information about the safety of these children and the abuse that they suffered from going into the public domain. It would be quite wrong if that happened. I understand what is being done here, and I think that the hon. Gentleman should reflect on his judgments and think about whether he is actually being responsible. What he proposes is not supported by pretty much anyone because it would be deeply irresponsible and would put children at risk in our country.

Christian Worship

6. **Mr. Desmond Swayne** (New Forest, West) (Con): If he will bring forward proposals to restrict the circumstances under which schools may apply for an exemption from the requirement to hold a regular act of worship of a broadly Christian character; and if he will make a statement. [312582]

The Minister for Schools and Learners (Mr. Vernon Coaker): Schools can apply to their local standing advisory council on religious education for a determination under which their daily act of collective worship need not be of a broadly Christian character. We have no plans to change that arrangement which, while still requiring such an act, allows the backgrounds of pupils to be taken into account.

Mr. Swayne: What precisely are the criteria used by local authorities when deciding to grant a determination?

Mr. Coaker: I think that the criteria are fairly obvious. For example, if a school was virtually 100 per cent. Muslim or Hindu, notwithstanding the fact that we are a Christian country, the school's head teacher, with the governing body, may think it appropriate to say to the standing advisory council on religious education that the school wished to have an act of daily worship, but that it would be more appropriate if that took account of the background, culture and religion of its pupils. I think that most people in this country would think that that was eminently sensible.

Badman Report

7. **Mr. David Anderson** (Blaydon) (Lab): What assessment he has made of the accuracy of data used to produce the Badman Report. [312583]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): Graham Badman's review of home education collected a limited amount of qualitative and quantitative evidence from local authorities about home-educated children in their area. The data were used to produce an estimate of the population of home educators known to local authorities of about 20,000, which is consistent with estimates produced in an earlier report by York Consulting entitled "The Prevalence of Home Education in England".

Mr. Anderson: I thank the Minister for that reply, but does she acknowledge that my constituents and many others feel that the data that were pulled together meant that Badman got this badly wrong, particularly when he said that children who were home educated were twice as likely to go on the at-risk register? They believe that that information means that they, as parents, are being scapegoated and that a bad decision might be made. May we have a reassurance that that will not happen?

Ms Johnson: May I first pay tribute to my hon. Friend for the keen interest that he has been taking in home education and make it clear once again that Graham Badman's report is about home education?

On the safeguarding data, Graham Badman asked for information from local authorities about child protection plans, because they are the only evidence of rigorous multi-agency processes that show no bias or subjectivity in relation to safeguarding. Seventy-four of 152 local authorities responded, which covers over 55 per cent. of the local authorities in the country, and Graham Badman found a higher incidence of home-educated children in those child protection plans. I reiterate that there are safeguarding provisions in place generally in our law. The report is predominantly about education.

Permanent Exclusion

9. **Bob Spink** (Castle Point) (Ind): How many children were permanently excluded from school in (a) 1996 and (b) 2006. [312586]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Mr. Iain Wright): There were 12,480 permanent exclusions in 1995-96 and 9,330 permanent exclusions in 2005-06. The latest available figures, for 2007-08, show that there were 8,130 permanent exclusions. The reduction in exclusion shows that schools have become more effective at managing behaviour. We have given teachers the powers they asked for to tackle poor behaviour and those figures are an indication of how well schools have responded.

Bob Spink: I am grateful for that response, and we all acknowledge that we have to help difficult youngsters in every way we can, but when we put them in special schools we must ensure that we site those schools carefully and sensitively. Does the Minister share my delight that Essex county council now accepts that it sited one of those schools completely incorrectly in my constituency and is prepared to move it? Will he ask the council to get on with the job?

Mr. Wright: I pay tribute to the hon. Gentleman's considerable ingenuity in getting Essex county council into a question about permanent exclusions. I am happy to look into the matter on his behalf and to meet him to discuss it further if he so wishes, but he will appreciate that local authorities are in the driving seat on a range of education matters, and can commission and locate services where they think it necessary.

Kelvin Hopkins (Luton, North) (Lab): My hon. Friend says that there has been a reduction in permanent exclusions—I have no doubt that that is due to the spread of inclusion units within schools, which in my constituency have worked extremely well—but is he

assured that there are enough places for those who are permanently excluded and have serious behavioural problems to ensure that their difficulties can be dealt with properly?

Mr. Wright: My hon. Friend has considerable expertise in a range of education matters and he makes a valuable point. Our guidance clearly shows that permanent exclusion, where necessary, should be the last resort for pupils with behavioural problems, and the Department is keen to work with local authorities, schools and others to ensure that behavioural problems can be identified early and that preventive measures can be put in place.

Mrs. Maria Miller (Basingstoke) (Con): The Minister knows that over the past six years the number of children suspended from school more than four times in a year has gone up from 9,000 to more than 14,000. Is not the real problem the fact that the Government's target to reduce permanent exclusions has simply pushed head teachers repeatedly to suspend persistently disruptive pupils, who then do not get the specialist assistance they need to help to tackle their behavioural problems and break this destructive cycle?

Mr. Wright: Is the hon. Lady seriously suggesting that we do not give head teachers considerable powers for their schools? I talk to parents, as I am sure she does, and all the evidence suggests that parents want their children to be educated safely in orderly schools where behaviour is considered important. Head teachers have the powers that they need to drive forward good behaviour. Sir Alan Steer, when he reported on this in September, demonstrated and confirmed that. I am surprised that she does not agree.

Special Educational Needs

10. **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): What steps he plans to take to improve educational outcomes for children with special educational needs. [312587]

The Minister for Children, Young People and Families (Dawn Primarolo): In addition to launching the Achievement for All project to improve educational outcomes for pupils with special educational needs, we have commissioned a number of independent reviews: the Bercow review on speech, language and communication needs; the Lamb inquiry on parental confidence in the system; the Ofsted review of SEN; and the Rose review on dyslexia and literacy difficulties. We have already begun responding to all those reviews.

Mr. Flello: I am grateful to my right hon. Friend for her response, but I am concerned that in many mainstream primary schools, the special educational needs co-ordinator is often overburdened with other teaching responsibilities, and staff assigned specifically to support statemented children are diverted to other tasks, which is not right. Will she agree to meet me to discuss the matter and look into it urgently?

Dawn Primarolo: I am happy to meet my hon. Friend on that matter. As he knows, the Government have done two things in particular. First, we have issued guidance for SEN on tasks and responsibilities and, secondly, we have increased the status of the SENCO through the development of the work force by insisting that they be a qualified teacher. Thirdly, we have made sure that, for the first time, everyone who takes up the role has special training, which is required as part of their development. If he thinks that there is more that we can do as central Government, I will be happy to discuss that.

Tim Loughton (East Worthing and Shoreham) (Con): One of the least attractive aspects of SEN is the fact that parents have to battle for appropriate statements to secure better educational outcomes for their children, which often ends up with stressful, costly and adversarial tribunals. Witnesses who have given evidence to the Committee considering the Children, Schools and Families Bill have pointed to a missed opportunity which Brian Lamb's report could have addressed. Will the Government now offer parents a decent mediation system, rather than complex tribunals, so that all families stand a decent chance at appeal for their children?

Dawn Primarolo: I agree that parents should not have the task of battling through the system. As the hon. Gentleman knows, we commissioned the Lamb review, which made specific announcements on redress for parents, support to be given to them, new rights of appeal, duties for Ofsted, and the question of proper consultation and other routes. The Government will issue a full implementation plan next month, and I am sure that the hon. Gentleman will let us know if he thinks that there is anything missing from it.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Last week, I was privileged to see at first hand the work of the ELCISS—enhancing language and communication in secondary schools—project in Dagenham schools, where speech and language therapy is provided and training given to school staff, resulting in enhanced educational attainment and improved behaviour. Will my right hon. Friend assure me that the outcome of that project will be examined, so that it can be rolled out in other areas?

Dawn Primarolo: As my hon. Friend knows, following the Bercow report, the Government have pursued the issue of speech development. I am more than happy to look at the project to which he has directed my attention, to make sure that all the lessons are learned and acted on, and that good practice is shared across the system.

Secondary Head Teachers

11. **Bob Russell** (Colchester) (LD): What his policy is on the appointment of a single head teacher to take responsibility for two or more secondary schools. [312588]

The Minister for Schools and Learners (Mr. Vernon Coaker): The Department's mission is for all children to achieve their full potential. To deliver that, our policy is to make the best use of the very best head teachers. Where and when appropriate, this can and should mean the best heads running more than one school in either or both the secondary and primary phases.

Bob Russell: I am grateful for that response. For those who doubt whether one person can run more than one school—that used to be my view—may I invite them to come to my constituency and see the inspirational leadership of one head teacher, Mr. Jonathan Tippett, who has turned around three schools? He continues to turn them around, but regrettably—I invite the Minister to come to see this for himself—two of those schools have been badly let down by the Tory-run Essex county council, which plans to close Thomas Lord Audley and Alderman Blaxill schools.

Mr. Coaker: I am perfectly happy, if it can be arranged, to go to Colchester again to see what is happening.

The Secretary of State for Children, Schools and Families (Ed Balls): You definitely should go.

Mr. Coaker: My right hon. Friend says that I should, so it looks like I am going.

I am happy to meet the hon. Gentleman again on that particular issue. He is right to point out the serious point that good teachers can spread best practice, and can help to improve other schools as well as their own, which is why we are trying to develop the executive head model. With respect to Colchester, as he will know, the crucial issue, with which school reorganisation is trying to deal, is not only school improvement but surplus places.

Mr. Andy Reed (Loughborough) (Lab/Co-op): My hon. Friend will know that, in Leicestershire, the county council proposes to close two out of three secondary schools. Does he agree that closing an outstanding secondary school would be a big mistake, and that, in trying to ensure that that is possible to deliver in a town the size of Loughborough, greater collaboration—not necessarily the removal of heads— and the sharing of best practice by schools is the best way to deliver education for 11 to 14-year-olds?

Mr. Coaker: As my hon. Friend knows, school organisation and the commissioning of school places is a matter for the local authority. It is a matter of great concern to hear that in Loughborough one of the proposals is the closure of an outstanding school. That would require detailed attention. He will need to work, as he is no doubt doing, with the local authority and the local community to see what can be done about it.

Lyndale School

12. **Ben Chapman** (Wirral, South) (Lab): What his policy is on the future of the Lyndale School in Wirral; and if he will make a statement. [312589]

The Minister for Schools and Learners (Mr. Vernon Coaker): Decisions about school organisation are taken by local authorities and are not matters for the Secretary of State. However, I understand that Wirral local authority has recently consulted on reorganising its special educational needs provision, but that no decisions have yet been made regarding the future of the Lyndale school.

Ben Chapman: Does the Minister agree that children with profound and multiple learning difficulties require tailor-made education in an age range from three to 19, and that an excellent school such as Lyndale, which the Secretary of State visited in 2008, would make a super nucleus for such education?

Mr. Coaker: I know that the Secretary of State visited the Lyndale school and saw for himself the excellent educational provision there. *[Interruption.]* It is interesting that the shadow Minister, the hon. Member for East Worthing and Shoreham (Tim Loughton), says that I should go and visit that school. That is what the Secretary of State has just said to me as well, so it looks as though I am going to the Wirral. The serious point is that it is important that children, particularly those with special needs, receive the educational entitlement that they deserve. I am sure that those who follow these debates will have read what my hon. Friend said about the Lyndale school and will have taken note of the fact that the Secretary of State has been there and commented on how outstanding it is. Hopefully, all those remarks will be taken into account when decisions are made about the future of special educational needs and school organisation in the Wirral.

Educational Psychologists

13. **Rob Marris** (Wolverhampton, South-West) (Lab): What steps he is taking to ensure that there are sufficient numbers of (a) trained and (b) employed educational psychologists. [312590]

The Minister for Children, Young People and Families (Dawn Primarolo): Educational psychologists are local authority employees. It is for individual authorities to determine the number required and their input in terms of training costs. To support local authorities, the Children's Workforce Development Council administers a scheme based on employer contributions which funds the training of educational psychologists. The Children's Workforce Development Council has also developed a work force development model to support future planning.

Rob Marris: The funding crisis in training is exacerbated by the lack of guidance as to the number of educational psychologists who are needed to support and improve outcomes for vulnerable children and young people. By what date does the Minister expect the Children's Workforce Development Council at long last to decide the role of educational psychologists and therefore the ratio needed per child and young person? Will she encourage the Children's Workforce Development Council to hurry up?

Dawn Primarolo: There was a meeting on 26 October with the then general secretary of the Association of Educational Psychologists and the CWDC, which my hon. Friend attended with my hon. Friend the Member for Weaver Vale (Mr. Hall). The Under-Secretary of State for Children, Schools and Families, my hon. Friend the Member for Kingston upon Hull, North (Ms Johnson), has written to local authorities with regard to the funding issue. She has a follow-up meeting with the CWDC on the very points that my hon. Friend makes about providing dates, and with Kate Fallon, the new general secretary of the Association of Educational Psychologists. I am sure that the Under-Secretary will keep him informed.

Severe Weather

15. **Norman Baker** (Lewes) (LD): What guidance he issues to schools on the steps they should take in response to severe weather conditions. [312592]

The Parliamentary Under-Secretary of State for Children, Schools and Families (Mr. Iain Wright): The Department has guidance on its teachernet website. The guidance had been revised after the heavy snow in February 2009. We sent a message to schools on 8 January this year, stressing the importance of trying to open for exams. We encourage schools to remain open when it is safe to do so, but the decision on whether to close has to be taken locally, by those who know the local conditions.

Norman Baker: There are a number of schools in my patch where the teachers were able to get in and wanted to open, but did not do so because there was ice on the path on the way in or in the car park, and they were concerned about the prospect of being successfully sued for any incidents that occurred. Can the Minister give schools some assurance that, if teachers get in and want to open, they ought to do so and that the Government will protect them from such action?

Mr. Wright: I know that the hon. Gentleman has raised the topic of snow and the need for grit in previous questions. In a statement earlier this year, my right hon. Friend the Minister of State, Department for Transport said that we all need to take a common-sense approach. It is ridiculous to suggest that people cannot clear roads and pathways because of the threat of being sued. It is a ridiculous notion, it is not something that we encourage, and it certainly is not legal.

Mr. Speaker: I call Michael Fabricant. Not here.

Children's Centres

17. **Laura Moffatt** (Crawley) (Lab): What recent steps he has taken to increase the number of children's centres. [312595]

The Minister for Children, Young People and Families (Dawn Primarolo): We are on track to meet our target of at least 3,500 Sure Start children's centres by March 2010. By the end of December 2009, there were 3,381 designated centres.

Laura Moffatt: That is excellent news, and this is one occasion when I have no hesitation in asking for further spending on children's centres. The evidence is there; parents and children need them; and we need to get on with the programme, which is so greatly welcomed in our communities.

Dawn Primarolo: The evidence from the outcomes for the national evaluation of Sure Start shows that children behave better and are more independent and ready to learn, and that awareness of children's centres and support from parents are at their very highest. The Government are committed to their funding of Sure Start children's centres, unlike the Opposition, who want to cut them.

Topical Questions

T1. [312602] **Mr. Andrew Mackay** (Bracknell) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Children, Schools and Families (Ed Balls): In our Children, Schools and Families Bill, we are legislating to ensure that all children and young people receive personal, social and health education, including sex and relationship education, and we are lowering the parental opt-out to 15 years of age. We will consult on the detailed content of the new PSHE curriculum after the Bill has gained Royal Assent. In the meantime, we are publishing today updated guidance for schools on sex and relationship education. It has been produced following consultation last year with parents, teachers, faith groups, young people and health professionals, and it sets out, among other things, the importance of marriage and of strong and stable relationships for bringing up children.

Mr. Mackay: Returning to the dreadful Doncaster case, I note that one reason that the Secretary of State and Lord Laming used for not publishing the full case review was that professionals in future would not co-operate with such investigations. Will the Secretary of State accept what the National Society for the Prevention of Cruelty to Children says—that that is quite wrong, that professionals must be forced to co-operate and that that is not a suitable excuse for not publishing the full review?

Ed Balls: I am sorry to go over the same ground, but the NSPCC says, and has said since last Wednesday, that we should not publish the full review. That is also the view of 4Children and many other organisations. The reason is to ensure that the identities of innocent children who have been abused, and whose details are set out in such reports, are not put into the public domain. I would have thought that anybody who had ever read one of those reviews would know that there are very strong reasons for keeping such reports out of the public domain. That is what I have said, and that is exactly the approach that we will continue to take.

T2. [312603] **Rob Marris** (Wolverhampton, South-West) (Lab): It is unfair that Ofsted marks down any school where a high proportion of parents choose to send their children with unhealthy packed lunches, despite the school's efforts to educate parents about healthy eating. Will the Government order Ofsted to desist, and if not, why not?

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): I have not heard about that before, but I am certainly happy to raise the matter with the chief inspector and ask for a response. The majority of parents provide a balanced packed lunch, and packed lunches are the responsibility of parents, not of schools.

T3. [312604] **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): Can the Secretary of State estimate how many pages of guidance his Department has issued to teachers in the past 10 years and tell the House whether he considers it sufficient?

Ed Balls: I think that the answer to that is no—I have never sat down and counted all the pages of guidance. What I have done is reform the national curriculum to reduce the burdens on teachers and give them more discretion over the primary and secondary curriculums. It is a great pity that, rather than support the national curriculum, the Opposition propose to abolish it.

Mr. Don Touhig (Islwyn) (Lab/Co-op): One of my constituents who works with young people is increasingly concerned because, she tells me, more and more schools are engaged in what she calls soft exclusions. They do not formally exclude children; they say, "Stay away for a day", "two days", "a week" or "two weeks". I believe that that practice is illegal. Will my hon. Friend the Minister undertake to look into that and, if it is illegal, put a stop to it?

The Parliamentary Under-Secretary of State for Children, Schools and Families (Mr. Iain Wright): I certainly will look into that. The situation may be different in Wales, but I will check, and I will be happy to meet my right hon. Friend to discuss specific cases. To generalise, I can certainly say that soft exclusions are illegal, but I will look into the matter and report back to him.

T4. [312605] **Sir Nicholas Winterton** (Macclesfield) (Con): Faith schools are being harassed by a party leader who seeks to tell them what to teach and by the European Union, which tells them who they can employ. Is not the very raison d'être of faith schools to sustain a distinct religious identity? Will the Secretary of State safeguard faith schools?

Ed Balls: Absolutely. Faith schools were in existence providing free education to often the most deprived children before the state started to do the same. I fully support faith schools. They have to abide by the law on fair admissions. I think that agreeing to calls for the admissions code to be dropped to allow faith schools to pick by interviewing parents would be the wrong thing to do. I also think it is right that faith schools promote community cohesion. Both the Church of England and the Catholic Education Service are supporting our changes to the rules on sex and relationships education. I have very strong and good relationships with the faith organisations, which are supporting the direction that we taking and are not supporting the proposal by the hon. Member for Surrey Heath (Michael Gove) to keep the opt-out age at 19.

Ms Sally Keeble (Northampton, North) (Lab): Is my hon. Friend aware of recent research among young people in my constituency that found that they greatly valued the education maintenance allowance but wanted it to be based on current parental income rather than the previous year's income so that it could provide more effective support for children whose parents become unemployed? Would he be prepared to look at such proposals?

Mr. Iain Wright: I get a lot of correspondence with regard to that. I have considerable sympathy when there have been in-year changes in circumstances. The full year's income assessment that we provide is the best general barometer of what parental income is. There are considerable flexibilities within the benefits system to allow other help and assistance to be given. In addition, we have increased help for discretionary learner support funds to schools and colleges. I keep a close eye on this matter.

T5. [312606] **Bob Russell** (Colchester) (LD): I have a lot of respect for the Schools Minister, and I thank him for agreeing to visit my constituency. He referred to the importance of removing surplus places from secondary education. My constituent, Mr. Joe Slatter, has proved conclusively that Essex county council's arguments for closing the two schools that I mentioned are false. Will the Minister therefore join me in a meeting with people from Building Schools for the Future to prove that what Essex county council says about an investment of £130 million is not correct?

Ed Balls: Nobody could describe the hon. Gentleman as being a slacker when it comes to these issues. The Schools Minister has already confirmed, and I can confirm it on his behalf, that he will be having another meeting. If the hon. Gentleman would like to bring people from Building Schools for the Future, that would be fine by us. If he wants to bring people from Essex county council, that will also be fine, although I am not sure that his relationship with them would allow for that. If he would like the Schools Minister to have more than one meeting, I am sure that my hon. Friend would, within reason, be happy to oblige.

Mr. Jim McGovern (Dundee, West) (Lab): This Government can be justifiably proud of the massive increase in the number of after-school clubs since 1997. In my constituency, however, several after-school clubs are facing closure owing to a withdrawal of funding by the Scottish National party-led local council. Will my right hon. Friend use his good offices to convince his counterpart in Holyrood that such clubs are a lifeline for working families and that their funding should continue?

Ed Balls: I understand the point that my hon. Friend makes. The devolved Administration in Scotland have also been withdrawing, or reducing, support for education maintenance allowances. The National Union of Students estimates that as a result 7,000 fewer students will be able to stay on in education after the age of 16. I fear that the SNP Administration in Scotland have been paying far too much attention to the policies of the main Opposition party in Westminster, rather than the policies of the Government.

T7. [312608] **Mr. Philip Hollobone** (Kettering) (Con): Will the Minister for Schools and Learners consider the merits of replacing the traditional three-term structure with five fixed terms of eight weeks each to provide for better attendance, families taking their holidays during holiday time, and the reduction of skill fade over the very long summer recess?

The Minister for Schools and Learners (Mr. Vernon Coaker): I thank the hon. Gentleman for giving me notice of his question. For local authority-funded schools, that is a matter for the governing body and the local authority to decide and to determine. They must consult parents at least one term in advance if they wish to change the way in which terms are allocated, including

by writing to parents and holding a meeting with them. Furthermore, the Local Government Association works very closely with local authorities to try to align term dates across local authority boundaries. I hope that that reply is helpful to the hon. Gentleman.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Is my right hon. Friend aware that on the measure of five GCSE passes at grade A* to C, last year Coventry city had its best ever results? *[Interruption.]* I do not see what there is to laugh at there. They have increased by 15 per cent., which is a significant achievement and shows that the Government's policies for improvement in secondary education are working. Results continue to improve year by year.

Ed Balls: My hon. Friend is right. As he will know, the improvements of the past decade have come after what was, in Coventry and around the country, a decade or more of stagnation in exam results. That has happened because we have the best generation of teachers that we have ever had and because we have been increasing investment in our schools year on year. We should not resort to policies of running down the achievements of teachers or cutting spending in the coming year, because that would set back the achievements of children in Coventry and around the country. It is not something that this Government will do in the coming year.

T8. [312609] **Mr. Desmond Swayne** (New Forest, West) (Con): Dr. Elliott, the founder of Kidscape, has asked of the Edlington case:

"How could you have a report on something as critical as this without naming"

the professionals at fault

"individually? By failing to release the... full report, it feels like an institutional cover-up".

Why is the Secretary of State a party to that institutional cover-up?

Ed Balls: It would be very easy indeed for me to publish the full report and to bow to political pressure and pressure from some newspapers. The reason that I am not going to do so is that it would put into the public domain the details of abuse suffered by vulnerable children in the family concerned and more widely in Doncaster and set back our ability to ensure that it did not happen again. Sometimes in government, the easy thing to do is not the right thing to do. I am going to do my best to protect children in our country, not play the games that we are seeing from Opposition Members.

Hugh Bayley (City of York) (Lab): The latest GCSE results have been put on the Department's computer and show figures on a ward-by-ward basis. By a long margin, the biggest improvement in York has been in the poorest wards of the city. What will the Government do to continue to provide additional help for children from poor families, so that educational opportunity is there for everybody, not just the richer and the better-off?

Mr. Coaker: As my hon. Friend knows, I was in York recently and visited an excellent school with him. I congratulate all the schools in York that are making improvements. He asks what more we will do to ensure that we tackle educational disadvantage in some of the poorest areas. We will of course continue the investment that we have made over the past few years, but just as importantly we will try to ensure that we do not just leave it to schools to tackle deprivation but that they work more closely with children's services, social services, health services, the police and other partners, including parents, to raise the achievement in those areas as we all want.

T9. [312610] **Andrew Stunell** (Hazel Grove) (LD): Earlier today I had the pleasure of welcoming pupils and staff from Offerton high school in my constituency to the House. They enjoyed their visit very much but are dismayed that Stockport's bid for BSF funding was turned down by the Secretary of State, leaving them stranded in a crumbling building on a split site. What hope can he give that there will be resources to put right the deficit in school building in Stockport?

Ed Balls: Given that the Conservative party is committed to a £4.5 billion cut in Building Schools for the Future, the best hope that the hon. Gentleman can possibly have in his constituency is the re-election of a Labour Government.

Christine Russell (City of Chester) (Lab): In Chester, parents greatly value and appreciate our four excellent children's centres. Will my right hon. Friend reassure me that those centres will continue to provide universal access to all parents, irrespective of their background and circumstances?

The Minister for Children, Young People and Families (Dawn Primarolo): I can reassure my hon. Friend that the Government's commitment is to universal service through children's centres—unlike the Conservative party, which wants to close one in four.

Mr. Paul Burstow (Sutton and Cheam) (LD): There is fierce competition for school places in south-west London. Will the Secretary of State and Ministers therefore consider reviewing the rules that govern the allocation of capital resources for providing school places, so that the popular schools in the London borough of Sutton can meet the demand of children living in that borough to go to those schools?

Mr. Iain Wright: The hon. Gentleman was present at an Adjournment debate in Westminster Hall last week when the issue was raised. As I pointed out then, considerable powers are already in place for local authorities to be in the driving seat to ensure that demand for places is met. Provisions will be extended in the Children, Schools and Families Bill that is currently in Committee, but, as I suggested in the Adjournment debate—and now suggest again—the hon. Gentleman should have a word with the Lib Dem-led London borough of Sutton, and perhaps some sort of arrangement can be reached.

Mr. Andy Reed (Loughborough) (Lab/Co-op): I am sure that Ministers will admit that we made a slow start in trying to tackle the disaster that was school sport in the 1990s. We did not make significant progress until 2002 to 2004. Despite the fact that we are now nearly up to 90 per cent. participation, what extra measures can my hon. Friend take to ensure that those who are still not getting at least two hours get them, and that, where

there is a drop-off with the school club link, particularly for girls, action is taken so that everybody gets the chance to take part in sport?

Mr. Wright: I appreciate my hon. Friend's question and pay tribute to his fantastic work. He has just mentioned the 90 per cent. of young people who now do two and a half hours' sport. We want to take that further. Last year's schools White Paper and the Children, Schools and Families Bill include a commitment to increase that, as far as possible, to five hours, thereby ensuring that sport is an integral part of young people's learning experience.

T10. [312611] **Mr. Andrew Robathan** (Blaby) (Con): The Secretary of State has been talking about children's best interests. As a married man, he knows that all research shows that children's best interests are served by being brought up by their mother and father in a stable relationship, preferably a marriage. Why, therefore, does he patronise those from less privileged backgrounds than him by suggesting that they should not aspire to bring up their children in a married, stable relationship?

Ed Balls: I do not remember ever patronising those people. As the hon. Gentleman knows, I am married and very much support the institution of marriage. I am currently married to the Secretary of State for Work and Pensions.

I support marriage, but I do not support a tax allowance that would disadvantage the widow and the woman who has to leave an abusive relationship, and go 13 times more to people on the highest incomes, yet give no help to any family where both parents are working. That would be not only patronising but deeply unfair.

Several hon. Members *rose—*

Mr. Speaker: Order. I am trying to help hon. Members by including as many as possible, but I need hon. Members to help me to help them.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Does the Schools Minister, following his visit to The Duchess's community high school in Alnwick, agree that it desperately needs replacing? Will the subsequent visit arranged by his officials clear some of barriers to getting that done?

Mr. Coaker: As the right hon. Gentleman knows, I visited Alnwick recently and looked at the school. It clearly needs to be rebuilt as soon as possible. I hope that the subsequent visit by officials, which has taken place, will help with that process.

Mr. Rob Wilson (Reading, East) (Con): Has the Minister seen any evidence that A-levels or GCSEs have become easier in the past decade or so?

Mr. Coaker: I have not seen any such evidence, nor have any of the bodies that advise us. A consistent battle seems to take place in this country when GCSE and A-level results improve, and people want to criticise rather than celebrate young people's genuine improvements.

Annette Brooke (Mid-Dorset and North Poole) (LD): Returning to the subject of publishing serious case reviews, why is it not possible to go beyond a summary and start with publication with appropriate redaction?

Ed Balls: I understand the hon. Lady's point, although, as I have said, people who have read a full serious case review know that the degree of detail included about innocent children in the family and more widely means that redaction is not at all sufficient. As Lord Laming said—and as the Association of Chief Police Officers said this afternoon—to publish the full report and therefore have less co-operation from police officers, social workers and health professionals, means that the lessons would not be learned. Those are not my views, but those of the NSPCC, police officers, directors of children's services and the Government's chief adviser on the safety of children. It is not a cover-up, but a Government putting the needs of children first. I urge the hon. Lady not to join in the politics being played by Conservative Front Benchers, but to join me in doing the best by children in our country.

Mr. Speaker: Order. I am extremely grateful to the Secretary of State, who has dealt with these matters very comprehensively, whether Members agree with the answers or not.

Mr. Andrew Pelling (Croydon, Central) (Ind): Does the Secretary of State share my dismay at the proposals from the usually excellent hon. Member for Sutton and Cheam (Mr. Burstow) in his fair access to school admissions Bill, which would have the effect of reversing the Greenwich judgment, and mean that an artificial Berlin wall would be created between Croydon and Sutton, stopping Croydon parents and students from exercising their choice to go to very good Sutton schools?

Ed Balls: Rather than being drawn into the details, I think that that is really a matter that requires a meeting with the Minister for Schools and Learners.

Points of Order

3.36 pm

Michael Gove (Surrey Heath) (Con): On a point of order, Mr. Speaker. In an effort to ensure that debate on the Edlington case was carried out in a considered fashion, I wrote to the Secretary of State over the course of the weekend to outline some specific concerns, and I wrote to him this morning to say that I would raise the matter today. In his response, the Secretary of State mentioned a letter that he had sent to me to deal with some of those issues, but that letter was sent from his private office only at 2.31 pm, after questions had started. May I ask you, Mr. Speaker, to ensure that in future, private offices guarantee that letters, correspondence or written ministerial statements that bear on subsequent debates are published in good time, so that Members have a chance to read them before asking questions?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order, but I would say to him that I think the House would expect normal courtesies to be observed and maintained in such matters. I hope that he, and the House as a whole, accept that it is not a matter for me to specify precisely when a letter should or should not be sent, but he has made his point very explicitly and it is on the record. I have a sense that the Secretary of State wishes to respond to it.

The Secretary of State for Children, Schools and Families (Ed Balls): Further to that point of order, Mr. Speaker. I was grateful to receive the letter from the shadow Secretary of State over the weekend. I was anxious to give him a full reply and I wanted to make sure I knew the views of the Association of Chief Police Officers, which I received in my office only at 2.15 pm today. I was grateful to the hon. Gentleman for giving me notice that he would ask about the matter at question 5, and I therefore signed the letter and asked for it to be sent over to him as soon as possible and in advance of questions. There is nothing in the letter that I have not said in the House this afternoon in answer to his questions. Although I would rather have sent it earlier, my office has done its best to ensure that all the detail was with him before he asked his question this afternoon.

Mr. Speaker: I am grateful to the shadow Secretary of State and the Secretary of State. It is fair to say that the hon. Gentleman's grievance and the Secretary of State's response to it have now been fully aired.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): On a point of order, Mr. Speaker. In light of the appalling violence, and religious and racial hatred from the so-called English Defence League in Stoke-on-Trent on Saturday, and despite the excellent work of the police in responding to it, have you, Mr. Speaker, heard any indication at all from the Home Secretary that he intends to make a statement to the House about violent right-wing extremists and the fear that they strike into the hearts of law-abiding citizens?

Mr. Speaker: I must confess that I have not had any indication from the Home Secretary of an intention to make a statement on the matter, but the very real concern that the hon. Gentleman feels on behalf of his constituents has been voiced forcefully and is on the record for others to witness.

Financial Services Bill

Consideration of Bill, as amended in Public Bill Committee

[Relevant documents: Third Report from the Joint Committee on Human Rights, on Legislative Scrutiny: Financial Services Bill and the Pre-Budget Report, HC 184.]

New Clause 1

NO CREDIT AGREEMENT TO BE ENFORCEABLE IF ITS TOTAL COST EXCEEDS THE STATUTORY LIMIT

'(1) No agreement regulated by the Consumer Credit Act 1974 shall be enforceable if the total cost of credit charged under that agreement or the cost of transactions linked to that agreement exceed the relevant limits set by the OFT pursuant to sections [Quanta of statutory limits] and [Limits on costs of transactions linked to credit agreements].

(2) Where a consumer credit agreement is found to be unlawful by virtue of subsection (1) that agreement and any linked agreement shall be unenforceable and the lender and any agent acting on its behalf shall be liable to:

(a) a fine determined by the OFT in accordance with section [Level of fines]; and

(b) the revocation of the lender's Consumer Credit Licence.'.—*(Rob Marris.)*

Brought up, and read the First time.

3.39 pm

Rob Marris (Wolverhampton, South-West) (Lab): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following: new clause 2—*OFT's power to set statutory limit*—

'(1) Where the OFT is satisfied that insufficient price competition in a defined credit market is causing or may cause a detriment to consumers the OFT shall set a reasonable limit on the total cost chargeable for credit by lenders in that market.

(2) In setting the limit referred to in subsection (1) the OFT shall consider evidence of:

(a) the degree of price competition in the credit market; and

(b) the level of consumer detriment caused by any identified lack of price competition.

(3) The OFT shall within three months of the date on which this Act or any Part thereof comes into force and thereafter on each anniversary thereof decide whether or not to set a limit on the total cost of credit for any consumer credit market and shall publish that decision and the reasons for it.'.

New clause 3—*Quanta of statutory limits*—

'(1) The OFT shall set statutory limits which reasonably reflect the cost of providing credit in a properly functioning competitive credit market.

(2) To reflect variations in the amount of reasonable costs incurred by lenders different statutory limits may be set for loans of different amounts and of different durations.

(3) The OFT may on not less than 14 days' published notice vary any statutory limits to reflect wider macroeconomic conditions including but not limited to changes in the Bank of England's base lending rate.'.

New clause 4—*Limits on cost of transactions linked to credit agreements*—

'(1) Where the OFT sets a statutory limit for a credit market it may also set limits on cost of transactions linked to such credit agreements which costs are not included in the total charge for credit.

(2) Limits on the cost of transactions linked to credit agreements include:

(a) the cash price of goods which are being offered for sale on credit terms; and

(b) the costs of any related insurance or collection services.

(3) The OFT may set reasonable limits on the cost of transactions linked to credit agreements if it finds evidence that:

(a) the statutory limit is likely to be avoided; or

(b) there is likely to be a consumer detriment which is more than de minimis.'.

New clause 5—*Publication of limits*—

'When it sets a statutory limit or sets a limit on the cost of transactions linked to credit agreements the OFT shall take reasonable steps to ensure that such limits are timeously:

(a) published in the London Gazette;

(b) publicised throughout the credit industry;

(c) notified to relevant consumer groups; and

(d) notified to relevant advice agencies.'.

New clause 6—*Level of fines*—

'(1) The OFT may impose a fine on any lender who exceeds a statutory limit or a limit on the cost of transactions linked to credit agreements.

(2) A fine imposed by virtue of subsection (1) shall not exceed 5 per cent. of that lender's annual turnover.

(3) When setting a fine the OFT shall have regard to:

(a) the length of time that the lender has been operating in the market;

(b) the lender's previous record regarding statutory limits;

(c) the lender's previous record regarding the cost of transactions linked to credit agreements; and

(d) the annual turnover of the lender in its most recent annual accounts.

(4) A lender upon whom a fine is imposed by the OFT pursuant to this section has the right to appeal to the Secretary of State for Business, Innovation and Skills within 28 days after being notified by the OFT of that fine.'.

New clause 7—*Definitions*—

'(1) In the sections [No credit limit to be enforceable if its total cost exceeds the statutory limit], [OFT's power to set statutory limit], [Quanta of statutory limits], [Limits on cost of transactions linked to credit agreements], [Publication of limits] and [Level of fines] "OFT" means the Office for Fair Trading.

(2) In sections [Quanta of statutory limits] and [Publication of limits] the "statutory limit" means the limit referred to in subsection (1) of section [OFT's power to set statutory limit].

(3) In sections [Publication of limits] and [Level of fines] "limits on the cost of transactions linked to credit agreements" means the limits referred to in subsection (1) of section [Limits on cost of transactions linked to credit agreements].'.

New clause 14—*Store cards and consumer credit agreements*—

'(1) The Consumer Credit Act 1974 shall be amended as follows.

(2) After section 60, insert—

"60A Form and content of retail credit-token agreements

(1) The Secretary of State may make regulations as to the form and content of documents embodying retail credit-token agreements, and the regulations shall contain such provisions as appear to him appropriate including requirements to ensure that—

(a) the rate of interest on the credit to be provided under the agreement for credit (or all the rates on a per annum basis where there is more than one rate of interest) does not prejudice the interests of debtors; or

(b) the agreement for credit includes a seven day cooling off period during which credit would not be available to the debtor.

[Mr. Speaker]

(2) 'Retail credit-token' means a credit-token (which has the meaning given by section 14(1)) which results in the provision of credit under a credit-token agreement provided by a retailer or group of retailers which can only be used for purchases from the retailers concerned.

(3) A 'retailer' means a person or business providing goods and services to an individual.

(4) Accordingly, a 'retail credit-token agreement' is a regulated agreement.".

(3) For section 67, substitute—

"67 Cancellable Agreements

(1) A regulated agreement that is not a retail credit-token agreement may be cancelled by the debtor or hirer in accordance with this Part if the antecedent negotiations included oral representations made when in the presence of the debtor or hirer by an individual acting as, or on behalf of the negotiator, unless—

(a) the agreement is secured on land, or is a restricted-use credit agreement to finance the purchase of land or is an agreement for a bridging loan in connection with the purchase of land, or

(b) the unexecuted agreement is signed by the debtor or hirer at premises at which any of the following is carrying on any business (whether on a permanent or temporary basis)—

(i) the creditor or owner;

(ii) any party to a linked transaction (other than the debtor or hirer or a relative of his);

(iii) the negotiator in any in any antecedent negotiations.

(2) A retail credit-token agreement may be cancelled by the debtor in accordance with this Part.".

(4) For section 68, substitute—

"68 Cooling-off period

The debtor or hirer may serve notice of cancellation of a cancellable agreement between his signing of the unexecuted agreement and—

(a) the end of the fifth day following the day on which he received a copy under section 63(2) or a notice under section 64(1)(b), or

(b) if (by virtue of regulations made under section 64(4)) section 64(1)(b) does not apply, the end of the fourteenth day following the day on which he signed the unexecuted agreement, or

(c) if the cancellable agreement is a retail credit-token agreement, the end of the seventh day following the day on which he signed the unexecuted agreement.".".

Rob Marris: First, on a personal note, may I express my sadness that the Economic Secretary to the Treasury, my hon. Friend the Member for Dudley, South (Ian Pearson) has announced his intention not to stand in the next general election? That is a particular sadness to me, because he has been a personal friend of mine for 25 years. He will recall that I and many others worked on his successful by-election in what was then Dudley, West in 1994. He has been an outstanding Member of the House and will be sadly missed. The Financial Services Bill is a tribute to his work as a Member of Parliament and as a Minister.

Overall it is a good Bill. It has many good bits, such as those relating to the remuneration of executives, recovery and resolution plans, collective proceedings and the Financial Services Compensation Scheme, but it also has some gaps, which new clauses 1 to 7 seek to address. Nor does it grapple with the concept that some banks are too big to fail, and when we discussed that in Committee the Minister understandably said that he was looking for international agreement. Since then, President Obama has said that the US will go down that route, and I hope that the Government will look at the issue again, because there is still time to add it to the Bill. The Bill also does not address the issue of overdraft costs following the Office of Fair Trading's unsuccessful court claim, and that should be looked at again.

Nor does the Bill address the repossession of properties that were owned by buy-to-let landlords when the tenants had no idea that the landlord was in difficulty with his or her mortgage. Happily, the issue will—I hope—be resolved by the private Member's Bill tabled by my hon. Friend the Member for Bolton, South-East (Dr. Iddon).

The fourth gap in the Bill is the question of doorstep lending and the extortionate credit rates that doorstep lenders charge, although they are not entirely alone in doing so. I am grateful to the Centre for Responsible Credit and their excellent officer Damon Gibbons for his assistance on this issue. The problem with doorstep lenders is the huge cost. The debate in this country has become clouded by core considerations about the existence of competitive markets and how those would be affected by the restrictions that would be enabled, although not necessarily introduced, by the new clauses. The concern is that price caps, which the new clauses would allow, could have adverse effects on the credit market. However, we have to consider whether doorstep lending credit markets are competitive. The concern is that they are not competitive and that prices for doorstep lending and other fringe, albeit legitimate, lending are artificially high, allowing those few lenders in the market, who are, of course, taking greater risks, to charge considerably more than would be the case if the market were competitive.

For example, the Centre for Responsible Credit has estimated that Provident Financial has 70 per cent. of the market. Provident Financial disputes that figure, but it is fair to say that it is a dominant player in the market, and the concern is that its dominance has led to an abuse of market position. Under the law at present, Provident Financial and other similar lenders are operating legitimately, but there are grave causes for concern. The cost of doorstep lending from a company such as Provident has gone up as interest rates have come down. That may be because risks have gone up—I understand that—but the Competition Commission has reported that a Provident loan of £100 repaid in 55 weekly instalments carried a total cost in credit of £65 and an annual percentage rate of 177 per cent. in 2006. Today, the same loan would have a cost in credit of £82 and a massive APR of 272.2 per cent. That is an extraordinarily high amount to charge for such a loan, even bearing in mind the additional risks and collection costs that a company such as Provident incurs.

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate my hon. Friend on tabling his new clauses. Does he accept that one of the problems is that people live in complete ignorance of the levels at which they pay for credit? In other parts of the credit industry, we have got much better at demanding that those who sell credit have to explain what the repayment terms are and what problems could arise if someone does not pay the money back. That does not seem to happen in that end of the market to which he refers. Does he accept that?

Rob Marris: I agree with my hon. Friend. Often it is a combination of ignorance and desperation, and that is an explosive combination when people want to get money. As the Crowther committee on consumer credit reported in 1971, there is a level of cost for the total package of credit at which it becomes socially harmful to permit such lending to take place. I agree with that assessment from 40 years ago, because genuine social harm is done in extending credit at such high prices to people who, frankly, one would think perhaps ought not to get credit. One really wonders whether people should get credit at 272.2 per cent., even if—I stress this point—it is quite legitimate. My new clauses are an attempt to address that point.

One alternative method of assisting people with bad credit ratings who need credit—I know that this proposal will appeal to my hon. Friend the Member for Stroud (Mr. Drew) and others—is to boost credit unions' share of the market, which is significantly underdeveloped in the United Kingdom, compared with other countries such as Ireland and Canada. However, it has been suggested by the financial inclusion taskforce that at the current rate of growth, alternative lenders such as credit unions would take 10 years or so to fill the gap that is currently being filled by the doorstep lenders who charge such large amounts of money. Not surprisingly, Provident Financial is a little concerned about the new clauses.

Mr. Mark Hoban (Fareham) (Con): Is the hon. Gentleman proposing that credit unions offer a home credit service to people who are currently serviced by Provident Financial? The Joseph Rowntree Foundation has suggested that the cost of such a service on a not-for-profit basis would lead to an APR of about 120 per cent.

Rob Marris: I am well aware of the Rowntree research. The figure is indeed very high—from memory, I think that it is 123 per cent.—because there is a collection issue, which I will come to in a moment.

There are seven new clauses and they come as a package.

Mr. Hoban: The hon. Gentleman did not answer my question. Does he expect credit unions to replicate the service currently offered by Provident Financial?

Rob Marris: I am not sure about the word "replicate". What credit unions do in my constituency, for example, is make themselves available in places such as pubs for people to come and pay the loan, and so on, so there is not necessarily someone visiting them at home, but there is a less formal atmosphere than in a bank. Credit unions could move into doorstep collection as well. For some credit unions, if they replicated the model used by some of the mainstream fringe lenders, if I can put it that way, it is likely that their costs would be lower, because in many cases not only do credit unions have paid staff, but they have volunteers—the credit union to which I belong in Wolverhampton is one of those—which lowers their costs. That is a social input by volunteers to produce what they regard as a better social output—I agree with them on that—namely, lower costs of lending for people who might otherwise have difficulty borrowing money.

To canter through the seven new clauses briefly, new clause 1 would mean that a credit agreement was not enforceable if it breached a cap on the cost of credit. New clause 2 is permissive and would allow a cap to be set on the cost of credit if there were insufficient competition in that market. New clause 3 recognises that there are different fragments of the credit market and would allow different caps to be set for different markets.

New clause 4 would address linked transactions, which is where a lender might issue, say, a token, so that the headline rate of credit might be lower than any cap that had been set, but the borrower has to buy a particular item—for example, a television—from a particular supplier at a particular price, which would circumvent that cap. New clause 4 is intended to prevent such circumvention, by including the cost of any such retail goods in the calculation of the credit price in a linked transaction.

New clause 5 would provide for publicity for any caps that were set. That addresses the issue raised by my hon. Friend the Member for Stroud, which is partly about the ignorance of some borrowers. If the new clauses were accepted by the Government and passed into law, and caps were set because it was found that parts of the market were not competitive, it would still remain a challenge for prospective borrowers to find out whether a cap existed. We as a society find it difficult to reach certain people through the instruments of the state—and often through political parties, I have to say—although loan sharks and legitimate fringe lenders do not seem to have any problem doing so. We need to be inventive about publicising any restrictions on excessive credit costs. New clause 6 would establish a scheme to impose penalties for breaching any caps, and new clause 7 is simply a definitions clause.

Provident Financial has e-mailed several parliamentarians, and that e-mail has been passed to me. Provident did not e-mail me personally. The e-mail states:

> "Home credit is the provision of small unsecured loans (typically £100—£500) with manageable, flexible repayments. Repayments are collected each week from the customer's home by an agent, most of whom are female and live in the communities they serve. Provident Financial agents visit one in twenty homes in the UK each week."

That bears on the point raised by the hon. Member for Fareham (Mr. Hoban) about replicating the costs. Of course, these collections have to take place, which can increase costs and lead to rates of up to 123 per cent. APR, as the Joseph Rowntree Foundation pointed out. Provident's e-mail goes on to talk about home credit APRs being higher than for some other products, as we would expect, because smaller sums are lent over a shorter period compared with those of other financial services providers. The cost of weekly home collection is a factor, but the e-mail goes on to say that

> "there are no default or extra interest charges".

In response to concerns about the activities of Provident Financial, my right hon. Friend the Member for Makerfield (Mr. McCartney) tabled early-day motion 379. When I looked this morning, there were 65 signatories to the motion, which expresses concern about the activities of lenders such as Provident Financial. It names Provident, and asks for the Office of Fair Trading to be given a power to cap prices. That is what the new clauses would do. It would be a permissive power; the proposals do not say that a cap must be introduced.

I am not surprised that Provident did not send me a copy of the circular that it sent to some parliamentarians, because, when I looked at it, I found that it appeared to

[Rob Marris]

be full of contradictions. Because Provident has got my back up by not contacting me, I am going to go through some of those contradictions. Provident states:

"The cost of credit has risen in all sectors of financial services (including fees and charges for secured and unsecured personal loans, mortgages and credit card lending). Demand for credit is weak. Consumers are being cautious about taking on debt and lenders, in turn, are exercising greater scrutiny over their lending decisions."

It is almost 40 years since I did my economics A-level, but I would have thought that if the demand for credit was weak, the cost of credit might actually come down. But Provident states:

"Demand for credit is weak",

as well as saying that the

"cost of credit has risen".

That seems contradictory, unless there are unwarranted and undesirable frictions on the operation of the credit market.

Provident understandably goes on to quote three conclusions from Professor Elaine Kempson, whom it calls

"the leading UK academic on credit and debt".

It cites her as concluding in a report in 2005 that:

"An interest rate ceiling could do nothing to reduce high costs associated with lending to people on low incomes who have a high risk of default. Instead, the APR would be reduced by displacing these costs elsewhere, for example in the form of charges for default—the last thing that low-income borrowers would want."

It surprised me that Provident cited that quote in support of its claims since, in the earlier quote that I read out, it said that

"there are no default or extra interest charges".

So its professor, as it were, is understandably, properly and credibly saying, "You've got to be careful if you bring in a cap, because people might find a way round it by jacking up the price of default," but Provident quotes her and then says, "We do not have any default or extra interest charges."

The good Professor Kempson goes on to say:

"It is also likely that more credit would become tied to the purchase of goods and consumers would be faced with high price mark-ups as retailers seek to recover the costs of supplying credit."

I have referred to my hope that new clause 4 would address that, in terms of linked transactions.

The third of Professor Kempson's conclusions cited by Provident is that

"there is a danger that lenders would move out of this market altogether, leaving poor people even more prey to unlicensed lenders."

That is a significant concern of many organisations, commentators, academics and so on. However, Provident, which has been somewhat even-handed, although contradictory, about this, cites recent research by the Financial Inclusion Centre as finding that the use of loan sharks is on the increase, with over 200,000 people taking on illegal credit annually—an increase of 22 per cent. since 2006. This is a sort of parallel universe scenario: one does not necessarily know how many more or how many fewer people would have turned to illegal loan sharks if the situation were different and companies such as Provident did not exist or were restricted by caps on interest rates on their activities. However, there is no cap, very high interests are being charged and an increasing number of people are turning to loan sharks, and that does not suggest a system that is working very well.

Provident also cites a report produced for the Department of Trade and Industry, as it then was, by Policis in August 2004. It stated that the "credit impaired" in France and Germany, where caps are in place, appear more likely to use illegal lenders than in the UK where there are legal credit options for such borrowers. Yet, as I have said, even-handed as ever, Provident also cites research by the Financial Inclusion Centre about the use of loan sharks increasing.

I thought to myself that if Provident can quote a professor, so can I—my guy is German. In 2005, Professor Udo Reifner from the Hamburg Institute for Financial Services published a response to the findings on the effects of the German rate cap—the cap referred to by Policis in its August 2004 report for the DTI. Professor Reifner said:

"In total, at least 9 million people cannot access credit from mainstream banks"

in the United Kingdom

"as opposed to approximately 2.5 million in Germany and between 2.5 million and 4.1 million in France".

Of course, Germany has a significantly larger population than the UK and France has a population that is almost the same as the UK. On the face of it, their caps have resulted in, or certainly exist in, a system where fewer people have difficulty getting access to mainstream credit.

Provident goes on to say:

"Published figures from Provident Financial's statutory financial returns show that there has been a steady erosion of margins over the past three years. Profit per customer reduced by 15 per cent. in the three years to December 2008 when Provident's most recent full year results were announced."

That seems strange, because when Provident went to the market in October 2009 and issued a bond to raise £250 million of investment to expand its operations—interestingly, the rate it managed to obtain was 8 per cent. rather than 173 per cent.—it told prospective investors:

"The competitive position in the £3bn home credit segment of the market has not changed materially since the Competition Commission concluded its review of the home credit market at the end of 2006."

So for the purposes of lobbying on prospective legislation such as this Provident says that there has been a steady erosion of margins, but when it goes to the market to get money it says that the market has not changed materially since 2006. There is a bit of a contradiction there.

4 pm

Overall, there is a long background of concerns about extortionate, as I would call them, or high, as others would call them, interest rates, going back to the Crowther report in 1971. In 1991, the Office of Fair Trading identified the extortionate credit provisions of the Consumer Credit Act 1974, following on from the Crowther report, and said that they were not working. Nothing happened. In 1999, the DTI commissioned research into what improvements could be made, but

that report was not published for another three years, until 2002. In 2003, we had a consultation from the DTI on a new unjust credit test and three years after that, in the Consumer Credit Act 2006, we saw the introduction of the unfair credit relationship test as a replacement for the extortionate credit provisions of the 1974 Act.

I hope that the Minister can clarify whether his Department, or any other Department, is monitoring whether the unfair credit relationship provisions introduced in the 2006 Act are working. It has been suggested to me that no such monitoring is taking place. We have a continuing situation in which more financially excluded people are having difficulty getting access to credit in this country than those in France, Germany or parts of the United States of America where they have anti-usury laws. People are paying very high interest rates and we have a market in which demand for credit has fallen but the cost thereof has risen, suggesting that there is not a competitive market for credit for such borrowers. Against that I would contrast the new clauses that I propose, which are permissive and would enable caps to be introduced if it were found that part of a credit market was not working competitively. I urge the Government to take this issue seriously.

Mr. Hoban: Consumer credit is a feature of everyday life. Our society has become increasingly dependent on credit, as we saw in the run-up to the recent financial crisis. The hon. Member for Wolverhampton, South-West (Rob Marris) talked about the credit position in France and Germany, but it is worth pointing out that the UK had higher consumer debt than France and Germany combined. We have seen a cultural change, too. No longer do consumers have to save for new purchases; they can take out a credit card, a store card or a personal loan, or they can withdraw equity from their house. For many people, rising levels of debt were seen as manageable, so long as the economy motored along with low unemployment and rising levels of income. That optimistic outlook, however, was predicated on an end to boom and bust and we can see the cost of that assumption today.

The change to the cultural norm on debt was driven partly by a society that takes on much more debt through home ownership, going to university and so on and partly by the marketing of credit. The Bill tackles that, in part, through banning unsolicited credit card cheques. Those cheques were an indefensible practice that even people in the industry found rather hard to defend.

My new clause 14 considers another aspect of the marketing and availability of credit—store cards. It seeks to address two issues: the rates at which store card debt can be charged and the sales practice surrounding them. We need to distinguish between a store card and a credit card. Store cards are offered for exclusive use in the shops of a particular retailer, whereas a credit card can be used at a wider range of outlets. Of course, some retailers, such as John Lewis and Marks & Spencer, have a credit card rather than just a store card. If one shops at a major department store, one is likely to be offered the chance to take out such a card at the checkout, often in combination with an attractive offer, such as a 10 per cent. discount on that day's purchases.

It sounds quite attractive, until one looks at the rates charged by store cards. A survey last year by *Which?* highlighted the high cost of some of the store cards that are available. Argos charged an annual percentage rate of 27.9 per cent., and New Look charged 28.9 per cent., whereas cards issued by retailers such as Ikea, River Island and Topman all cost about 19.9 per cent. According to *Which?*, the average APR of store cards is about 25.2 per cent., compared with an average for credit cards of about 16.8 per cent. That shows that store cards tend to be relatively more expensive, compared with reasonable alternatives. Even cards at the bottom end of the scale, such as those issued by Ikea and River Island, still charge a higher APR than the average for credit cards.

High rates in conjunction with low minimum payments mean that it can take some time to pay off relatively small amounts charged to a card. For instance, it would take six years to pay off a balance of £100 on an Argos store card, for which the minimum monthly repayment is either £2 or 4 per cent. At the other end of the scale, it would take two years and 10 months to pay off the same balance on the River Island store card, which has a lower interest rate and a higher minimum repayment. It appears, therefore, that high rates of interest make store cards a poor way to borrow, yet there are more than 14.6 million of them in circulation.

In 2006, the Competition Commission, recognising the high cost of credit, announced that any providers offering a card with a rate above 25 per cent. should issue a wealth warning telling customers that there are cheaper ways to borrow. Despite that, however, store cards remain in wide circulation.

We might assume that, on seeing the wealth warning, a rational consumer might decide to shop around for another form of credit before taking out a store card—that such a person would leave his or her goods in the shop and pop down to the bank, or go home and search online for a form of cheaper credit. However, the evidence suggests that things do not always happen that way, as the rational consumer will see the opportunity to reduce the cost of shopping offered by the day-one discount. He or she will take advantage of that discount and then repay the balance straight away, thus avoiding the interest cost.

Of course, if consumers were always that rational, there would be no store card business, because people would simply take advantage of the discount, pay off the balance and walk away. However, despite people's best intentions, the reality is that the desire for short-term gratification overcomes the rational response. If it did not, retailers would not offer these deals.

My new clause 14 therefore contains two provisions. First, it would give the Office of Fair Trading the power to cap excessive interest rates, where they are not in the interests of the consumer or the debtor. In a way, that mirrors some of the suggestions made by the hon. Member for Wolverhampton, South-West, and I shall return to some of the differences when I address his proposals directly. The new clause would place no obligation on the OFT to use those powers, but it would provide some tools for going beyond the wealth warning approach announced in 2006.

The second element of new clause 14 is the provision that would enable the decision to take out a store card to be decoupled from any requirement to buy from that shop on that day. It would mean that people taking out a store card would have a seven-day cooling off period in which they could not use it. That would enable

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consumers to shop around for a better rate, and it would also tackle one of the sales practices that incentivises the take-up of cards.

It is worth thinking about what happens when a store card is taken out in a shop. There was an article on store cards in *Which? Money* magazine last month, for which a researcher went to open a number of store card accounts. In the course of a couple of days, he managed to rack up nearly £3,000 worth of credit, even though his income for that year was about £1,000. The article says that half the companies that he approached rejected his application, so I suppose that we should take some reassurance from that.

Actually what happened is quite instructive. The article states that

"none of the stores we visited verbally warned James about the high interest rates and the low minimum payments on the card and none of them told him that they were unsuitable for borrowing. This could only be found in the smallprint of the terms and conditions given to James…waiting in a queue in a busy shop is not the ideal place in which to read the small print on an application."

My new clause would give the purchaser, or the person taking out a retail credit-token agreement—as it is described in the new clause—the opportunity to go home and think carefully about whether they want to use the card. It would not close off the provision of credit to those customers, but would give the person taking out the card the opportunity to think carefully about whether they want to pursue that route.

One might ask why I have focused on store cards and not on the personal loans offered by some retailers at the point of sale. That is a valid question and it is worth exploring. There is a difference between a loan and a store card, which is a form of revolving credit, whereby a person enters an arrangement with a retailer that enables them to spend up to a certain amount. There is no fixed repayment schedule and there can be relatively low minimum repayments. In the *Which?* sample, repayments ranged from 2.5 per cent. or £5 for British Home Stores to 4 per cent. or £4 for companies such as Topman or River Island.

It is possible to take on additional commitments without deliberate thought. Many store cards adopt the low and grow approach to credit—a subject we touched on in our debates in Committee, and which was initiated by the hon. Member for South-East Cornwall (Mr. Breed). People start with a relatively low credit limit and it is then increased.

A personal loan is different. There is a fixed repayment period for a fixed amount, so when a person takes out a loan they make a commitment. They know the repayment level and they know how long the loan will last. It is a well determined, well defined commitment, unlike a store card, for which the agreement is open-ended and there is no fixed repayment period and no fixed amount of borrowing because the credit limit can be increased. The argument that applies to store cards is very different from that which applies to the loans offered by our major retailers. That is why new clause 14 is linked to store cards. The measures set out in my new clause are proportionate and reasonable. They reflect our party's policy, and it has been our party's policy since well before the economic crisis.

I am not entirely sure what the new clauses tabled by the hon. Member for Wolverhampton, South-West represent. The hon. Gentleman is, I think, a Parliamentary Private Secretary; he is part of the payroll vote and he is here to support the Government in debates. He should be a loyal supporter, yet it appears to me that his new clauses question settled Government policy, unless they are a teaser—opening the way for the Minister to accept new clauses 1 to 7. Is this a sign of independence of mind finally breaking out? In Committee, when my hon. Friend the Member for Chichester (Mr. Tyrie) tabled a new clause about competition, the Minister thought the proposal should be part of the regulatory objectives of the FSA, but recognised that Government policy was rather different. Perhaps he opened the floodgates for the hon. Member for Wolverhampton, South-West to table all sorts of amendments.

Mr. Drew: May I come to the defence of my hon. Friend the Member for Wolverhampton, South-West (Rob Marris)? He is always independent-minded, even though he may happen to have a job that some of us would love but never seem to curry favour for. I have always seen him as an independent, forward-thinking and—dare I say it?—concerned Member on the Government side.

Mr. Hoban: There we have it: the hon. Gentleman is queuing up to replace the hon. Member for Wolverhampton, South-West as a PPS, if the latter feels he ought to fall on his sword after moving his new clause.

Rob Marris: I have been independent-minded on certain things for a long time and I quite frequently question Government policy—sometimes successfully. Even though I say it myself, I think that a measure of my independent-mindedness, which seems to surprise the hon. Gentleman, is the fact that I was voted Back Bencher of the year in 2008, and someone is not voted Back Bencher of the year by Members of all parties if they are a complete lickspittle.

Mr. Hoban: The hon. Gentleman makes a trenchant defence of his independence.

4.15 pm

James Duddridge (Rochford and Southend, East) (Con): Although it is good that we have with us a Back Bencher of some independence, surely the hon. Member for Wolverhampton, South-West (Rob Marris) is one thing or another. He is either part of the Government and acting under collective responsibility, or he is an independent Back Bencher—he cannot be both things at the same time. Will my hon. Friend the Member for Fareham (Mr. Hoban) put it to the hon. Gentleman that if he truly wants to be independent, he should leave the Government and make such comments from the Back Benches?

Mr. Hoban *rose—*

Mr. Speaker: Order. Before the hon. Member for Fareham (Mr. Hoban) responds to the hon. Member for Rochford and Southend, East (James Duddridge), may I simply remind him that, although I appreciate the

importance and good nature of these exchanges, we are discussing new clauses relating to the regulation of credit?

Mr. Hoban: Thank you for that guidance, Mr. Speaker. Perhaps I should table a new clause to the Constitutional Reform and Governance Bill setting out the statutory duties of PPSs, rather than considering them in the context of this debate. As ever, I am grateful to you for putting me back on the straight and narrow.

I have some sympathy with new clauses 1 to 7. Those of us who are in comfortable, well-paid jobs, with easy access to credit, will frankly be shocked by the APRs charged on home credit products. The hon. Member for Wolverhampton, South-West cited illustrative examples of the rates, which are indeed high. We could shine a light on other areas that involve high rates, such as pay-day cheques and lending, which involve high rates as a consequence of the relatively short duration of the loans. Such rates are eye-watering when compared with those for store cards, so we need to reflect on that too.

There is a real challenge here, however, because we need to ask whether a price cap would work and what its impact would be. The hon. Gentleman picked apart the briefing that Provident circulated among hon. Members, but it included legitimate concerns, especially those raised by independent bodies. For example, when Policis examined the home credit market in 2004, it looked at the experience of countries in which caps had been imposed. Among its findings was that where there were rate ceilings, the cost of credit became less transparent and there was less latitude for consumers. It also found that the cost of such products switched from the interest rates charged to default rates, which was a point raised by the hon. Gentleman in connection with the comments by Elaine Kempson cited in the Provident briefing.

It might be the case that default charges are not levied by home credit companies when a consumer decides that they are not in a position to pay for a certain week. Indeed, I think that the model followed by several companies assumes that there will be some weeks when people do not pay. However, in other parts of the financial services sector, competition on rates has led to other products being sold to make up the margin. For example, it is argued that a driver of lenders selling payment protection insurance has been that competition on loan rates has led them to try to recover their margin by selling that insurance, which has a relatively high margin.

My fear in such a situation would be companies, were they subject to a rate cap, starting to charge consumers an additional cost for that default. In the same way, some would argue, as the hon. Member for Edmonton (Mr. Love) might when we consider other amendments, that one reason why the penalty charges for unauthorised overdrafts are so high is that they create a form of indirect cross-subsidisation from those who go overdrawn. They subsidise so-called free banking for the rest of us.

The hon. Member for Wolverhampton, South-West was quite critical of the words of Elaine Kempson, but there is some truth in what she says and we need to bear it in mind.

Mr. Drew: But surely my hon. Friend the Member for Wolverhampton, South-West was saying that there is no competition. It is not that people are queuing up; they are offered loans on the doorstep by others from their community who, supposedly, are genuinely lending money, but there is no educative process and no ability to rationalise and go out to other lenders. The lenders are preying on the most vulnerable. Is it not about time that we in this place tried to do something about it? We have had debates on whether there should be maximum repayment terms, but apparently we got nowhere with that. My hon. Friend is simply trying to put some structure in an operation that is letting people down. What is wrong with that?

Mr. Hoban: The problem is what would the consequences of that structure would be. I do not doubt that the new clauses have been tabled with the best of intentions, reflecting some of the concerns that have been raised, but we need to think carefully about the unforeseen consequences. For example, there may be a switch from high rates to low rates with additional charges. I am not sure that the demand for credit would necessarily be extinguished as a consequence of the proposals. We may not think it is right, but people would still need credit to deal with unexpected variations in income or expenditure, and where would they go if that money was not available from Provident? I will return to that point.

The Policis report suggests that rate caps ended up in a rather odd situation whereby lenders felt it was uneconomic to advance relatively small loans, so either no money was lent to customers or they would be lent a higher amount than was strictly necessary. In Committee, we talked briefly about ending unsolicited increases in credit limits. We need to think about what amounts people would lend. The hon. Member for Wolverhampton, South-West questioned the merits of this argument, but in France and Germany rate caps meant that more people used illegal lenders. That is the evidence from the Policis study.

The hon. Gentleman also implied that the only opponents of rate caps were home credit companies, but let us not forget that in 2005 a coalition including Citizens Advice, AdviceUK, the National Consumer Council, *Which?* and ABCUL—the Association of British Credit Unions Ltd—all urged the House of Lords to oppose a rate cap. There is a coalition here: it is not just people in the home credit market but a wide range of people with a close interest in this area who are concerned about the impact of a rate cap.

I shall not repeat in full the words of Elaine Kempson—the hon. Member for Wolverhampton, South-West cited them at length—but let us turn to the alternative and what would happen if the rate cap were applied. Elaine Kempson said:

> "Finally, there is a danger that lenders would move out of this market altogether, leaving poor people even more prey to unlicensed lenders."

The hon. Gentleman suggested that credit unions might fill that gap. I am a great supporter of credit unions, which do an excellent job, and I agree that it would be good to see them grow so that they supplied a share of the market comparable with what they are able to supply elsewhere. However, even credit unions have to turn people down. Many people are concerned about the fact that credit unions want a cap on the rates that they charge. Credit unions will not supply the whole demand, and others will move into that space, which I

[Mr. Hoban]

am concerned will be filled by illegal money lenders and loan sharks. As I said in my intervention on the hon. Member for Wolverhampton, South-West, there has been a great deal of discussion about whether there is a sustainable model for not-for-profit home credit. The Joseph Rowntree Foundation suggested that the APR would probably be 123 per cent., so it is an expensive operation.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I agree with much of what the hon. Gentleman has said. Something he has not touched on is the role of the social fund in providing support for people who have difficulty obtaining credit, and who will fall into the hands of the illegal credit sector if we restrict the provision by capping interest rates.

Mr. Hoban: The hon. Gentleman makes an important point. I have not touched on it, nor was I intending to do so. However, a significant increase in the social fund would be required if it were to replace the home credit market. I cannot remember whether the hon. Member for Wolverhampton, South-West cited the amount that Provident Financial raised in its bonds.

Rob Marris: It was £250 million.

Mr. Hoban: If we are going to get the social fund to fill the gap, we are starting to talk about a significant commitment to additional Government spending.

There are alternatives, but I am not sure that they will plug the gap if the people in the home credit market choose to withdraw. It is an expensive business to collect money door to door from consumers on low incomes who want flexibility. Many organisations would not want the reputational risk of working in that arena and charging high rates. I am not persuaded by the arguments of the hon. Member for Wolverhampton, South-West, although I understand where he is coming from. Members on both sides of the House would want a cheaper alternative to home credit, but we have yet to see evidence that one exists. If the home credit people withdrew from the market, some individuals would be picked up by credit unions, community development finance institutions and similar bodies, but many of them would go to loan sharks, and we know the personal costs that can result from their doing so.

The credit market is difficult to get right, and there are real challenges in how we deal with high rates and marketing. We welcome the measures in the Bill, but new clause 14 is a sensible and proportionate solution to the problem of store cards so, with your agreement, Mr. Speaker, I should like to press it to a vote at the appropriate time.

Mr. Colin Breed (South-East Cornwall) (LD): All of us would have a great deal of sympathy with what has been said over the past hour or so, because the provision of small, unsecured loans to vulnerable people or people on very low incomes has been a problem for an extremely long time. It is difficult to see how we can legislate totally for the sort of things that people sometimes knowingly get into when they have no alternative or choice. The truth is that interest rates are often not a particularly good guide to the way in which we try to control the costs. A relatively small amount of money paid back over a relatively short period of time with what appears to be a reasonable fee for doing so translates into an extraordinarily high APR. If someone repays £50 within three months and pays £10 of £15 for the privilege of doing so—perhaps £5 a month—that does not seem very much, but when we do the maths, it translates into a large APR. Rate caps have been under consideration for a long time but are not the only measure by which we can try to control that practice. Administration, door-to-door collection, the lack of security and the potential for default all add to the cost of providing low-level loans.

4.30 pm

There may not seem to be many defaults, because the debt is often rolled forward. When somebody is about to default, the existing amount is rolled into another credit agreement. That is the slippery slope that gets people into difficult situations. Perhaps we ought to be more insistent about restricting such roll-overs.

There is not much competition because not many people want to get into the business in a formal, legitimate sense. Much has been said about Provident. In my neck of the woods, I have had no complaints about Provident. Some people swear by the firm; because they have acted sensibly, Provident has been only too pleased to do business with them. Unfortunately, its major competitor, Cattles, failed a year or so ago. It is regrettable that the business was not picked up by another firm, to provide some measure of competition. There was clear evidence that Cattles was doing good business, but the way in which it managed that brought about its failure.

Those whom I have come across who desperately want some emergency money are, in many cases, people whose benefit has not turned up although they were promised it, or who have been denied the opportunity of accessing the social fund. They may talk to their friends and neighbours and get into some arrangement that they did not intend. Credit unions could well provide greater opportunity to access money, but more credit unions are needed, their rules should be more relaxed, and there should be greater depth of business in the communities that they would want to serve. There are not enough credit unions in many parts of the country and the way to access them is not as well known as it should be.

Although I agree that this area needs to be examined, I am deeply concerned that in an effort to protect the relatively small number of people who take on difficult contracts or resort to loan sharks, we might cut off some of the low-level unsecured lending that is well understood by a very large number of people who use it properly and do not default.

We should not forget the growth that has taken place in other types of credit. An early-day motion has been tabled about log book loans, for example. That is an informal sort of credit that needs to be knocked out. We know that pawnbroking has changed, and that household items are now being pawned for small amounts of money. We have heard recently about advertisements which say, "Send us your bits of gold," for which very poor prices are paid, and about people being desperate enough to sell even family jewellery for relatively small sums. The practice of people accessing small amounts of money when they are in difficulty must be considered

holistically, but the proposals we are considering concentrate on one area and may have the unintended consequence of reducing the provision of low-level credit for those who require it and are able to use it successfully.

Turning to store cards, I must say that I hate the things—they should be banned—but I recognise that people ought to have a choice. None the less, the atmosphere in which people make an informed choice is entirely inappropriate. Some large stores almost seem more interested in selling people a store card than in selling them the thing that they went in for, and that is because the card makes the store more money. There is no doubt about that. The 10 per cent. that the business can give away on a purchase is small compared with what it will potentially get from the future use of the card. Putting some control on the use of such cards and fettering it a bit, so that people had cooling-off periods in which to reflect, would help. Perhaps our new financial education body will prompt those issues in people's minds before they sign up, willy-nilly, to such cards. That would help.

If we are to go down the avenue of choice, so that people are able to exercise it if they wish to, we must make certain that it is an informed choice. Information must be provided prior to signing up, making certain that people understand exactly what they are signing up to, and after signing up, so that people not only have the information that enables them to repay at a rate with which they are comfortable, but understand the underlying costs of their decision to pay a certain rate. For example, they should know that it will take years to pay off the debt through minimum payments or that, despite the small amount of money that they have borrowed, ultimately, they will pay a multiple of that, having chosen a given store card,. There is a lot of merit in restricting such credit, in providing people with information and a cooling-off period for reflection, and in ensuring that they receive some real information about the exact costs of their choice.

This is an interesting area of finance, and the Financial Services Authority and, perhaps, the Office of Fair Trading will have to continue to bear down upon it, because people are finding ever more ingenious ways to provide low amounts of credit. Undoubtedly, there are some unscrupulous firms. I certainly do not put Provident or, indeed, some others in that category, but some unscrupulous individuals deliberately target people who get into difficulty—often, for all the right reasons when they need emergency purchases, not luxuries. Sometimes their purchases are school uniforms, or something for the family, but people often fall foul of such unscrupulous individuals, and we need to try to protect them. However, to deny such credit services to those who use them satisfactorily would be a retrograde step, so I cannot support the new clause tabled by the hon. Member for Wolverhampton, South-West (Rob Marris). If the proposed restrictions on store cards were subject to a vote, I would support them because, although they do not go as far as I would like, they are a step in the right direction.

Mr. Love: The proposed changes do not touch upon the widespread practice by store card and, indeed, other credit card organisations of ensuring that the part of the credit with the lowest interest rate is paid off first and the highest interest part is left until last. That practice should be much more widely publicised, and action should be taken against it.

Mr. Breed: I agree entirely. The segmentation of balances and their treatment for interest and repayment purposes is not well understood. In fact, anybody who is even reasonably financially educated would find it difficult to make a precise distinction between them.

A hard-nosed approach must be taken to the repayment of high-cost credit. I would like the minimum repayment rates to be increased, as well as a clear indication given on the statement of precisely how the amount added as interest is calculated—that could be done easily. The interest element could be made up of two or three different parts so that the card owner would be able to understand how the charge had been calculated and therefore better able to understand how they could manage it in the most effective and economic way. I agree with the hon. Member for Wolverhampton, South-West that a lot more information could be provided on all credit cards and store cards. The new clause is a step in the right direction, although I would prefer it to go a little further.

The Economic Secretary to the Treasury (Ian Pearson): Let me begin by thanking my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) for his kind comments at the beginning of his speech. His new clauses 1 to 7 would give the Office of Fair Trading the power to set a statutory limit on the total cost chargeable for credit in a particular credit market where it is satisfied that consumers are, or may be, suffering detriment through insufficient price competition. He outlined the purposes of the new clauses very well, as he always does.

I want to say at the outset that the Government share his concerns about low-income and financially vulnerable consumers, who can struggle to obtain cheaper credit from high street banks and building societies. That is why we welcome the review that the OFT is conducting into the high-cost consumer credit sector, which has a particular focus on whether competition in the high-cost credit market is effective in current conditions. The review will examine, among other things, the experience of other countries that have introduced a cap on the cost of credit, which should help to establish the effectiveness of such tools as a form of consumer protection.

My hon. Friend will be aware that this issue has been previously considered, and it has been concluded that such measures could be detrimental to consumers—a view shared by leading consumer groups, as the hon. Member for Fareham (Mr. Hoban) said. My hon. Friend is of independent mind on these matters, and it is always right to take a fresh look at them. I stress to him the independence of the consultants who were commissioned by those at the then Department of Trade and Industry who considered these issues. I would not want there to be any confusion about the role of Elaine Kempson, to whom my hon. Friend referred several times. She is very much an independent person, as Professor of Personal Finance and Social Policy Research at the university of Bristol, and she is a member of the Government's financial inclusion taskforce. She is an expert on these matters, and it is right that her views are carefully considered.

Government intervention in pricing clearly has the potential to create distortions such as cross-subsidy in related sectors. It could constrain supply and ultimately lead to higher prices for consumers, and damage industry

[Ian Pearson]

by distorting markets. That is why venturing into this area requires very careful consideration. It is certainly our view that the review will provide important information that we will all want to look at—Government, consumer groups and others.

My hon. Friend has elegantly framed his new clauses so that the price control measures would take effect only when the OFT is satisfied that there is insufficient price competition in the market—perhaps when one supplier is dominant in a number of localities or when all lenders offer much the same product and do not compete on price. However, in such circumstances, the proper solution would usually be to look for measures to increase competition rather than to substitute the judgment of the OFT as to a reasonable price for that of the market.

New clause 2 would require the OFT to assess at annual intervals the adequacy of price competition in defined markets. In competition law, it is notoriously difficult to identify where the boundary lies between competitive and non-competitive pricing, as my hon. Friend well knows, so that would be a complex judgment requiring something akin to an economic market study every year in order to withstand challenge from lenders and other interested parties.

4.45 pm

New clause 3 would require the OFT to set limits on the total cost chargeable for credit, which must reasonably reflect the cost of providing credit in a properly functioning market. Again, however, that would be an extremely difficult task given the differing terms on which consumer credit is offered—some lenders offer much more flexibility than others—and the different risk profiles of each lender's customer base. There is also a real risk that those proposed powers for the OFT could stifle the competition in the credit market and the diversity of products that my hon. Friend wants to see.

There is evidence from countries that have adopted some form of ceiling on the cost of credit that such restrictions can be circumvented through the charging of fees or insurance costs not covered by the regulated amount, and that they can force vulnerable consumers to take up less flexible, less transparent, more expensive or unregulated forms of credit with high charges for missed payments, including from illegal money lenders. I recognise that new clause 4 is intended to reduce the scope for such circumvention, but there are practical difficulties with the approach proposed as it would potentially involve the OFT continuously monitoring the price of thousands of products offered by a number of individual companies.

Doubts about the workability of regulating the price of credit and concerns about the consequences for consumers are the main reasons why the Government have been very cautious about any measures such as those proposed by my hon. Friend. However, I appreciate that he is motivated by the desire to protect vulnerable consumers, and members of all parties recognise the importance of that. Such consumers face restricted choices in accessing credit and sometimes borrow more than they can afford to repay. We have to consider whether there are sensible steps that we can take, which is why we have considered his new clauses carefully.

We share my hon. Friend's concern, which is why we have already taken a number of measures to give consumers a more informed choice and encourage responsible lending, including greater OFT oversight of high-cost credit lenders and new mandatory OFT guidance on responsible lending. We will introduce a new requirement this year for lenders to provide adequate explanations to borrowers and assess their creditworthiness, and we are also conducting a review of credit and store cards. The consultation on so-called risk-based re-pricing of existing debt, the level of minimum payments, the allocation of payments, the need for further information and unsolicited credit limit increases closed last Tuesday, 19 January.

I have referred to the review that the OFT is currently undertaking of the market for high-cost credit, which is specifically considering competition issues and the effects of introducing restrictions on the cost of credit. We do not believe that it would be appropriate to anticipate the OFT's conclusions on the working of the market or any recommendations that it may make for further protections for consumers. However, I assure my hon. Friend that we are of course taking a close interest in the review and will want to respond quickly following its completion.

I turn to new clause 14, which also deals with interest rate caps but is focused on store cards and similar retail credit tokens. I appreciate the distinction that the hon. Member for Fareham made between store cards and loans from retailers, about which he made some very interesting points. The power suggested in the new clause is very broad and does not define the circumstances in which an interest rate may be thought to prejudice the interest of debtors.

Many of the concerns that I have described about new clauses 1 to 7 also attach to new clause 14. Constraining interest rates on store cards in this way carries a strong risk that pricing structures will simply be re-engineered to circumvent a cap, meaning that the costs of borrowing become less transparent for consumers, often hidden in contingent charges, which disproportionately fall on the least capable and most vulnerable. As I have said, caps can distort proper competition in the market. The hon. Member for Fareham made many of those points when he referred to new clauses 1 to 7. Similar concerns apply to new clause 14.

That said, the Government recognise that, in the past, competition has not always been effective in the store-card market. That was the conclusion of the Competition Commission's market investigation, which ended in 2006 and resulted in the introduction of several measures to stimulate competition and ensure transparency for consumers about the costs of store-card borrowing and ancillary products, such as payment protection insurance. As the hon. Member for Fareham knows, those measures came into force in May 2007.

New clause 14 also proposes a seven-day cooling off period for new store-card agreements, whereby consumers could not spend on their card for a week after taking it out. The hon. Member for South-East Cornwall (Mr. Breed) referred to that and said that it ought to be a 14-day period, which Consumer Focus recommends in its response to the consultation that has just closed. The Government recognise the sentiment behind the proposal. We are clear that responsible consumers should make a purchase on credit only after careful consideration, rather than

focusing on a promotional offer, which might seem attractive when someone is in the store and not really thinking about the debt that will have to be repaid in future.

However, a cooling-off period could have far-reaching consequences for both store-card providers and retailers, as it risks reducing the utility of the product and increasing point-of-sale costs to such a point that it might render it unviable. That may result in the withdrawal of a valued source of credit for some consumers and damaging consequences for retailers. Arguments need to be carefully weighed in the balance before a judgment is made.

We conducted a consultation exercise, which ended only last Tuesday. Let us look at the evidence and make a judgment on that basis. If it points to the need for a cooling-off period, we would want to introduce it. We are concerned for consumers to take out store cards—or any credit—with their eyes open, and we need to ensure that we are taking appropriate action in all the circumstances. Through the implementation of the consumer credit directive and the OFT's irresponsible lending guidance, we are introducing new responsible lending requirements to ensure that all regulated credit agreements are responsibly promoted, lending decisions are taken on an informed basis, and consumers are given a proper explanation of the key features of the product and the risks associated with it. Those provisions will bite particularly on store-card providers, who will need to ensure that, when they promote their products at point of sale, their staff are sufficiently well trained and the environment is properly conducive to meeting the new standards. The directive will also provide a new right to withdraw from any regulated credit agreement in the first 14 days.

The Government have received several responses to our consultation on credit and store cards. As I said, the closing date was only last Tuesday. I therefore think it right that we consider all the evidence carefully, issue our response and examine the case for legislation on the basis of it. It would be precipitate to rush to legislate now before we have considered all the submissions that have been made to us.

Although the hon. Member for Fareham suggested, before he heard my response, that he would press new clause 14, I urge him to think again. That seems sensible, given where we are.

Given what I have said—my sympathy for the new clauses that my hon. Friend the Member for Wolverhampton, South-West tabled, but our genuine concerns and the fact that a review is currently under way into competition in the market—I invite him to withdraw the motion.

Rob Marris: I thank hon. Members for some thoughtful speeches this afternoon. I am quite happy to take some ribbing from the hon. Member for Fareham (Mr. Hoban) on this topic, because, of course, the Labour party is not as monolithic as he might think. I have been propounding such measures for the two and half years that I have been a Parliamentary Private Secretary. I have never, ever been criticised by a Whip or Minister, and I have won some battles with the Government. He may get a shock, because the prospective Conservative parliamentary candidate for Wolverhampton North-East wants to introduce restrictions—I note that that came about after I tabled the new clause—so both parties are divided on the matter.

The concerns expressed today have been on the workability of any cap. There is an understandable fear that were caps to be introduced, fringe borrowers who currently use legitimate fringe lenders would turn to loan sharks. However, we must be clear that we are talking about a social ill and that some people simply should not be borrowing money. We should bear that in mind. That is what the Crowther committee was referring to in 1971.

It is paradoxical that all three Front Benchers made thoughtful speeches against the new clauses and on the unworkability of caps and so on, but that we already have caps on things such as utilities. We also have a cap on mobile phone roaming rates, for example, which perforce, and by definition, is for some of the more privileged members of our society, namely those who are wealthy and prosperous enough to go abroad on holiday with a mobile phone and make telephone calls. The idea of caps exists in our society, legislation and economy.

However, I take heart from what my hon. Friend the Economic Secretary said about the OFT bringing out guidance later this year on adequate information for borrowers—that key point was raised by my hon. Friend the Member for Stroud (Mr. Drew) in an intervention. I note that the high-cost credit review, which I believe is due to report in spring, will be looked at carefully by the Government. I hope they reconsider caps on the kind of lending arrangements to which new clauses 1 to 7 refer if the evidence indicates that there are significant problems because of the lack of competition in such markets, which I believe there are, and that the fears that caps will lead people to turn to loan sharks are overblown, as I believe they are. On that basis, with those reassurances from the Government, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 8

SHORT SELLING

'(1) The Financial Services Authority ("the Authority") must make rules prohibiting persons from engaging in short selling of shares except in one of the following circumstances—

(a) the share price at the time of the transaction was higher than it was at the close of the previous trading day of the market on which the share was listed; or

(b) the short selling was by a person who borrowed the shares, and the beneficial owners of the shares had given prior permission at an annual general meeting for the shares to be lent.

(2) Any person who engages in short selling under the provisions of paragraph 1(a) or (b) must make a declaration of the sale to the Authority on the day of the transaction.

(3) The Authority may set requirements as to the form and content of declarations made under section (2), but the Authority must require that such declarations state—

(a) the number of shares sold;

(b) the price for which they were sold;

(c) any features of the transaction which would confer a financial advantage on the seller in the event of a decrease in the price of the shares; and

(d) the person to whom they were sold.

(4) The Authority must publish on its website all declarations under subsection (2) as soon as possible after they are received, and in any case not more than 24 hours after receipt.

(5) If the Authority is satisfied that a person has contravened the provisions of subsections (1) or (2), it may impose a penalty of such amount as it considers appropriate on—

(a) the person who contravened the provision or requirement, in which case the penalty must not be less than the profit made by the person in question; or

(b) any person who was knowingly concerned in the contravention.

(6) Rules under this section may apply to short selling wholly outside the United Kingdom by persons outside the United Kingdom, but only in so far as the rules relate to shares admitted to trading on a market within the United Kingdom.

(7) For the purposes of this section the cases where a person engages in short selling in relation to shares include any case where—

(a) the person enters into a transaction which relates to shares; and

(b) the effect (or one of the effects) of the transaction is to confer a financial advantage on the person in the event of a decrease in the price or value of the shares.'.—*(Mr. Frank Field.)*

Brought up, and read the First time.

Mr. Frank Field (Birkenhead) (Lab): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss amendment 1, in page 13, line 32, leave out clause 13.

Mr. Field: As you would expect, Madam Deputy Speaker, so as not to detain the House too long, I have sought an answer to the question whether there is widespread support for new clause 8, as drafted, and in particular whether the Liberal Democrats support it. It now appears that they do not, so I will use the new clause as a probing proposal. Lord Vinson is also working on this matter, and when we have listened to the debate, we might come back with a much more narrowly defined proposal when the Bill reaches the other place.

My starting point is those hectic days before the bank collapses, when we saw people piling in, trying to destroy the value of the share capital of some of the best-known company names in the country. We learned that some of those individuals—perhaps many of them—were doing that not with their own shares, but with shares that they were borrowing. They were forcing down the price of the shares, then handing them back when they were much reduced in value to the people who owned them. I was puzzled by that. How could anybody in their right mind lend shares to what appeared to be, if we were to believe the media, financial sharks, only to get the shares back at the end of the day much reduced in value?

5 pm

The next stage in my enlightenment on this topic was when a pension fund chairman—it is not a large fund, but it is certainly a substantial one—wrote to me to say that he, too, was puzzled by this practice. He had inquired of the custodian of his company's series of pension funds whether the shares of those funds were being lent out. After an uneasy negotiation with the custodian, he found that they were being lent out without his permission, without the trustees' permission and certainly without the knowledge of people who thought that their pension savings were safe.

The custodian's role is key. I have been a Member of Parliament for some time—I was here when Robert Maxwell lifted the shares of many of the pension funds that he felt he owned. We were lax in those days and he found it possible to bully the chairman and trustees to lend him—to put it euphemistically—those shares.

Mr. Andrew Tyrie (Chichester) (Con): Is the right hon. Gentleman clear that that now constitutes fraud?

Mr. Field: I am glad that my hon. Friend—I shall call him that—mentioned that point. He has managed to put that on the record without my needing to do so, because—as we all know—Robert Maxwell is not now present to answer those charges. At least, we do not think that he is present.

The House took those matters seriously and two things happened. The then Government asked Sir John Cuckney—later Lord Cuckney—to trace the funds that had been lent out and recover them. Sir John went about the task with the diligence one would expect from someone with his rich career. He was so open-minded on the issue that he adopted the American practice of calling in a judge to mediate with those who claimed that they had taken shares in good faith and should not have to pay back any money. After about five months, Sir John's patience ran out and he called the main recipients of the shares to his office. He said that he would provide lunch, and he effectively locked them up for the day so that they would come up with the funds that the pension funds said that they needed to recover their lost assets. Anyone who knows anything about Sir John's career will know that he knew where the bodies were buried and, by the end of the day, hundreds of millions of pounds were produced.

The second measure taken—apart from the approval of Sir John Cuckney's work—was a major pension fund review. The Select Committee was involved—indeed, one of the Clerks at the Table was the Clerk to the inquiry. We proposed many reforms, and the Government accepted many of them. One of them was to establish the position of custodian, so we could not again have a situation in which a forceful character such as Robert Maxwell could bully the chairmen and trustees of company pension schemes to hand over the assets of the pension funds. So the custodian—we thought—would play a key role in ensuring the safety of pension funds.

Once I learned that the horrors of short selling were way beyond what I had imagined them to be, I approached the pensions regulator. Quite a lot of our time in this place is naturally spent picking fights with public and private officials whom we do not think adequately fulfil their role and, sometimes, nowhere near earn the salaries that they are paid. I want to put it on record that I found dealing with the pensions regulator to be a most reassuring task—indeed, so much so that, having conducted a review, the pensions regulator has laid guidance to trustees saying that they now have a duty to ensure that they know about it, if their funds are being lent. That suggests that the single case that I took to the pensions

regulator was not a one-off job, but that what had happened was more common than we had dared to imagine.

Worse still, the custodian was a bank. Although the chairman saw after probing that other assets were being given back to the pension fund for the shares and gilts that the custodian bank was borrowing, without the knowledge of the chairman, trustees or members of the fund, the collateral in no way matched the value of what was being taken. For example, taking Government gilts, which, despite all our problems with public debt, are still one of the most pukka gilts in the world, and substituting gilts of equal value from fourth-world countries is not, in my view, an adequate recompense. The same goes for the shares that were borrowed in order to be used in short selling. Although those substitute shares were of the same nominal value, nobody in their right mind would think that the risks attached to them were the same as those attached to the shares that had been lent.

I therefore conclude that the Government's success in rescuing the banks was much greater than that to which we have paid tribute in this House, in that if the banks had gone under, which was a genuine worry, and the practice that I am describing had been more widespread than a single pension fund—that is, if there had been many more pension funds whose assets had been lent out by a custodian that happened to be a bank—not only would the chaos of not having an acceptable medium of exchange have followed, but the whole house would have come tumbling down.

I also wrote to the Financial Services Authority, which was not quite as anxious to deal with the issue as the pensions regulator. I asked the FSA whether, in doing spot checks, it looked at banks' balance sheets and at the array of gilts and other assets that it wishes banks to have so that they behave prudently and, should anything untoward happen, so that they have some genuine assets that they can draw on for their depositors, but to my mind a satisfactory conclusion was not reached. The worst scenario, therefore, was where a pension fund was having its shares lent without its knowledge by the custodian—part of one of our major high street banks—and where it was open to the other banks to borrow those assets and perhaps put them on their balance sheets in order to convince the FSA that they were in a healthier condition than they perhaps were. That was the worst scenario, unless one considers that practice to be acceptable; I think that it is not.

I have asked my colleagues for their views on new clause 8, and they feel that it is too restrictive. When I first started out, I thought that short selling itself was wrong and that we should ban it. Perhaps there is a bit of that flavour in new clause 8. I am very interested in the House's view, albeit not on the details of how one might police short selling. I am obviously interested to hear people's views on how we can make that method safer. For example, it might be perfectly proper to short sell, if the share price is rising rather than falling. Those are the kinds of locking mechanisms that I hope we can establish.

I want the House specifically to address the question whether we need to consider further—perhaps not here today, but in another place—how we can better protect our constituents' assets that are wound up in company pension schemes. I have given the House one example. If that were the only example, it would still be worrying, because it relates to a medium-sized fund. However, my guess is that it does not stand alone, and that other funds have had their shares and assets lent without their permission, risking the life savings of the company concerned and the members of that company's pension scheme.

I wonder whether we need to consider putting a lock on what custodians can do in that regard. The House will see that, among the many measures in the new clause, one of the safeguards is that no pension fund assets can be borrowed unless the chairman and trustees know about it and unless they have consulted the membership—that is, us—if need be. I tried to table some questions to find out what was happening to the House of Commons MPs' pension fund, but, for some reason, I did not get very far towards getting an answer—I did not get an answer saying that the funds were not being lent, so perhaps that practice extends to our pension funds, just as it does to those of constituents.

I ask these questions in the spirit of inquiring into what the House thinks. Perhaps we can regroup with a much more targeted amendment in the other place, but I urge hon. Members to support the new clause.

Mr. Tyrie: I generally agree with the right hon. Member for Birkenhead (Mr. Field); I certainly agree with him far more than I disagree with him. I sometimes wonder whether either of us is sitting on the right side of the House, although I have made up my mind that I prefer to be on the side that I am on.

Mr. Field: I prefer to be on this side, but that does not mean that I do not try to find ways of getting agreement across the House.

Mr. Tyrie: I completely agree with the right hon. Gentleman, as I often seek to do. I want to agree with him on his new clause, but I do not think that I shall be able to, because it is misguided—it misunderstands the problem and the solution. He gave a hint of that in his speech when he talked a great deal about pension funds. The solution to ensuring that pension funds are properly regulated is to look at pension fund law, not at general provisions on short selling or on market making.

Mr. Field: Will the hon. Gentleman give way?

Mr. Tyrie: I have scarcely got going, but I will give way.

Mr. Field: I thank the hon. Gentleman. Given that we have this opportunity to improve the safety of pension funds—perhaps not today, given the way in which the new clause has been drafted, but possibly in another place—is it not appropriate for us to use it?

Mr. Tyrie: There might be a suitable peg somewhere in the Bill for such a measure—I have not looked carefully enough to find one—but the new clause uses a machine gun to try to hit one very specific target. It is inappropriate and would cause a lot of collateral damage, as machine guns tend to do when trying to hit only one target.

I shall take a brief look at the new clause—after all, that is what we are discussing. It begins by proposing to prohibit the short selling of shares. Why stop at shares?

[Mr. Tyrie]

If one is trying to address the issue of pension fund assets, what about the bond market, what about corporate bonds and what about that range of financial instruments that runs all the way from poor-grade equity to top-tier sovereign risk? Once one has decided that short selling is a "bad thing", there is no logic to limiting this provision to shares.

5.15 pm

When I looked at the new clause a bit more carefully, I noticed that proposed new subsection (1)(a) bans short selling except under certain conditions—for example, in a rising market. That is a curious one-way ticket, and such an approach can only be distortive in any market—if one bans something in one direction and not in another, one will do a lot of damage to the process of trying to find a true price.

Proposed new subsection (1)(b) is even more bizarre, because it says that the only circumstances in which short selling are permitted are where

"the beneficial owners of the shares had given prior permission at an annual general meeting for the shares to be lent."

That is such a restrictive condition that it would suck all liquidity out of the forward markets, which would be the end of forward markets. Forward markets have been around a good while. There was an effective forward market in rice in ancient Japan, and it is said that there was one in China, so they have been with us for as long as there have been markets.

When examining the clause, one must ask a more basic question: do we want derivatives markets or not? If we decide that we need them, it is logical to try to maximise their liquidity, as that will lead to higher levels of capital formation and more efficient risk allocation, to the benefit of us all. Short selling strengthens the long market; it provides strategic investors with an opportunity to hedge their positions and gives them confidence to take those long positions. An investor will be much more reluctant to buy if the would-be short sellers' views are not expressed in the market and are distorted by restrictions.

The key question is always that of investor confidence. I took a look at a number of things on the web about what various people have had to say on this matter recently. Troy Paredes, a commissioner on the Securities and Exchange Commission, recently gave an interesting lecture to the Harvard law school forum on corporate governance in which he came to a pretty clear view. In line with what I have just implied, he said:

"Short selling...is tied to investor confidence. Investor confidence depends on investors' faith in the integrity of markets. Investors expect that securities prices are meaningful in that they reflect the market's overall assessment of what a company is 'worth' by aggregating into a single number the different views of market participants...in promoting market efficiency, short selling can foster investor confidence, as investors can be confident that securities prices reflect both optimistic and contrarian views."

I could not have put it better—in fact, I could not have put it remotely as well. That is a clear expression of the need to retain short selling.

The risks usually attributed to short selling—the right hon. Member for Birkenhead followed that approach—generally turn out to be something else. They turn out either to be the risk of share price manipulation, which he did not discuss very much, or to be fraud, which he discussed quite a bit, which is why I intervened on him to clarify what was going on in the Maxwell custodial case. Those are, quite rightly, already offences under existing law, and if the law needs tightening in that field—the right hon. Gentleman has suggested that it does—we should pay particular regard to that. We should look carefully to see what further steps should be taken to make share price manipulation and fraud more difficult.

As this clause is about short selling, we are concentrating on practices that take place with respect to shorting the market. The long share market, however, is just as vulnerable to fraud and manipulation. One such practice, which good quality regulation seems substantially to have reduced, at least, was known as "ramping the stock"—talking it up while taking a holding and then selling up, leaving the poor souls who had taken the advice to take the fall in the market afterwards.

Stewart Hosie (Dundee, East) (SNP): The hon. Gentleman has talked about shorting the market, which is one of those expressions that everybody thinks that they know the meaning of. Is not the fundamental problem with this new clause the fact that it would outlaw any selling when the price is falling, assuming that that is short selling?

Mr. Tyrie: I think that that is more or less correct. I am not absolutely sure what the effects of the new clause would be, to be frank—I am not absolutely sure that its authors are sure what its effects would be—but I am pretty confident that they would be disastrous. Even as a probing new clause, I do not think that it is near the target that the right hon. Member for Birkenhead mentioned as justification for it.

There is a second, more general justification for the introduction of measures to restrict short selling, which is that it can encourage panics and irrational behaviour. Of course, as I have pointed out, that is just as true in a long market. Is that not what we have always seen in the long markets? These are the booms before the busts—the Mississippi scheme in France in the early 18th century, the South sea bubble, the bubble in share stocks in the interwar years and the bubbles that we have had more recently. To stop the bust, one must find a way of stopping the boom. Stopping the boom is an extremely difficult task, too. In other words, creating market stability is, in my view, probably a very difficult, if not impossible, task that Governments should address with very great care. After all, was it not this Prime Minister who told us about 160 times in this place alone that he had put an end to boom and bust? He gave us the most spectacular boom followed by the most spectacular bust in living memory—at least, apart from in the memory of those who are old enough to remember the late 1920s and early 1930s.

The problem with booms and busts is that they are monetary phenomena. They are normally driven partly by loose monetary conditions, in one way or another. Although this more general issue goes well beyond the remit of the new clause, it is worth pointing out that the Government are trying to do something about it through counter-cyclical capital requirements, for example, and a number of other measures. They are considering the development of macro-prudential tools that are designed

to attenuate the virulence of the cycle. That is a very difficult task, however, and they are realising just how difficult it is as they take their ideas forward, not least because the law of unintended consequences usually applies.

There is legislation to bear down on disorderly markets, but of course that is not a ban on short selling, but a ban on all selling and buying. The most common measure—although, again, it has been rarely used—is to close a market temporarily, when it is felt that a meaningful price cannot be established. One of the problems is that it is increasingly difficult to achieve that in a globalised world in which grey markets operate.

There is one last argument for action on short selling for which I have a good deal of conceptual sympathy, but I am afraid that the new clause goes way beyond what is required. In any case, I think that the necessary legislation for emergency action is already on the statute book. I am talking about circumstances in which a disorderly market can trigger a sharp increase in systemic risk and risk a breakdown of the whole economic system. I think that the recent temporary ban on short selling was imposed to prevent that from happening. It was based on the argument that the protection of the wider public good is an objective that overrides all others for a period of time, but was it of any use? With the benefit of hindsight, can we say that we got anything back in return?

The chairman of the Federal Reserve has already said on the record that he would not impose the temporary ban again. The FSA and the Government have been much more circumspect about saying that it did not work, and I shall be interested to hear what the Minister has to say about that in a moment. However, the prevailing view among a good number of insiders—I know a few of them—is that more harm than good was probably done.

In that respect, it is worth looking again at what was said in the lecture to which I referred a moment ago. Troy Paredes covered his back a little, but he is one of the world's leading experts on this subject and, before new clause 8 is considered seriously for the statute book, we need to consider what such people are saying. He said:

"With the benefit of more but still imperfect information, the decision was made to terminate the ban a few weeks after its implementation. Speaking personally"—

this is him covering his back—

"it became apparent that the ban did not stabilize the markets but did result in inefficiencies and other market dislocations and disruptions. In short, the benefits of the ban did not materialize but the costs clearly did."

I have not looked in great depth at the specific issue that Dr. Paredes addressed, but it would not surprise me if, having done the cost-benefit analysis for ourselves, we were to reach a very similar conclusion.

The SEC has retained rules that penalise so-called "naked" short selling—that is, when the short seller does not deliver the securities within a short period after the sale transaction date. However, it is worth reminding ourselves that most forward positions in the spot market are covered, and that they are not so-called "naked" short or long positions.

The plain fact is that we have all benefited enormously from the development of forward markets and financial innovation over the past quarter century. That is not a popular view to articulate at the moment, because we have just suffered from a spectacular failure in the markets, part of which is attributable to the derivatives market. If new clause 8 were implemented, the inevitable consequence would be that we would lose the long-term liquidity and benefits that come with these markets. The idea that we could do without those things is not one that we should seriously entertain.

I very much hope that the Government do not support new clause 8, and that the Minister is courageous enough when he replies to explain the merits of short selling, as well as the disadvantages.

5.30 pm

Mr. Breed: As the right hon. Member for Birkenhead (Mr. Field) suggested, we found ourselves in agreement on some of the sentiments. Some of what has gone on over recent years has highlighted a number of practices that may not have been well known or well understood, and he gave the example of the pension fund chairman. As the hon. Member for Chichester (Mr. Tyrie) said, short selling has been part of the functioning market for some time, and it is part of how investors have confidence in the market. The loaning of pension fund shares might be looked at under pension fund administration arrangements. The rules could clearly be tightened up. I suspect people would not necessarily demur from that within the totality of their involvement in the market.

We discussed the merits of the restrictions in clause 13, which would give the FSA powers to prohibit or require disclosure, very much along existing lines—formalising what the FSA did a little while ago. It addresses perceived market abuse, usually a one-off emergency situation and alongside a disclosure regime. It is probably about as far as we would wish to go at any particular time.

Throughout our consideration of the Bill, we have been concerned not to take it that market abuses and other problems were everyday events and that we had to produce reams of draconian legislation. We wanted to ensure that the rules were proportionate and would address certain situations that may arise in the future. The hon. Gentleman said that the alternative would be to close the market in certain things altogether, but if we were for ever doing that it would destroy the whole function of what we are trying to set up.

Although I can understand why the new clause was proposed, and there may be opportunities to reconsider it in another place, at the moment it is too restrictive for us. It could have many dire unintended consequences, so at this stage we cannot support it.

Mr. Hoban: When the right hon. Member for Birkenhead (Mr. Field) introduced new clause 8, I was intrigued by his arguments for its rationale. As he developed his argument from Maxwell and Sir John Cuckney to the role exercised by trustees in determining investment strategy and the use to which investments should be put, he made a strong case for improving the Government's arrangements for pension funds. However, if the purpose of his new clause was to prevent shares owned by pension funds from being used as a cover for short selling, he should perhaps have tabled a new clause in favour of naked short selling rather than one that restricted covered short selling to certain areas.

Mr. Frank Field: If the hon. Gentleman looks at the new clause, he will see that that is what I am advocating. Members should know that their shares are being sold in that way.

Mr. Hoban: But in a way there are two types of short selling. There is naked short selling, when someone does not hold the shares, or has no coverage for selling the shares in the market, and the situation when someone borrows shares and there is some cover to minimise settlement risk. The right hon. Gentleman's argument was about the governance of pension funds rather than the merits or otherwise of short-selling strategies in the market, and I thought it did not quite get to the point.

As a consequence of interest in short selling, quite a lot of work has been done on the possible impact of various short-selling strategies on the underlying markets, and on whether short selling itself is a legitimate strategy for investment managers. On a couple of occasions during Treasury questions, the Minister has defended short selling as a means of improving liquidity in the market, reducing transaction costs and making markets function more effectively. A number of pension funds benefit from the strategy because they have investments in hedge funds that engage in such activities. At the peak of trading in 2008, pension funds apparently earned about £600,000 a day from the fees that they received in return for lending their stock.

Mr. Field: May I give an example about the fees? The pension fund that I mentioned was paid £900 for every £1 million of its stock, which was being lent without its knowledge.

Mr. Hoban: No one is saying that the fees are especially generous, but the funds charge a fee for lending their stock, and that fee is of course used to augment the returns of the underlying pension fund. There is a need to think about the cost-benefit analysis.

Mr. Tyrie: Is not the key issue that that situation represents a failure in the corporate governance of the pension fund itself? The responsibility for that inadequate charge, given the risk involved in the transaction, lies squarely with the directors of the pension fund.

Mr. Hoban: My hon. Friend is absolutely right. The argument made by the right hon. Member for Birkenhead seemedto be more about how we improve the governance of pension funds than about the merits or otherwise of short selling. The fact that the trustees did not know what was happening suggests that more due diligence should have been carried out in respect of the nature of their agreement with their investment manager and the custodian.

Mr. Frank Field: It is clear that a number of debates are going on. In the contribution made by a very distinguished apostle of short selling, we heard that, in all possible worlds, it is an extraordinary activity that benefits market liquidity and that it should therefore be ungoverned. In the specific case that I have cited, the chairman of the pension fund undertook inquiries before he heard about the introduction of my Bill to ban short selling. There was no failure there, although a general failure might have arisen because the House made such a fuss about the role of the custodian, who was the person who put the lock on any use of assets without the knowledge of the pension fund. There is of course an issue surrounding corporate governance, as the hon. Member for Chichester (Mr. Tyrie) suggested, but the problem is wider than that. I approach this matter with the view that short selling—gambling with people's futures—is not necessarily a good activity, even if that activity is draped under the guise of liquidity.

Mr. Hoban: I am now a bit more confused about the right hon. Gentleman's position. Does he wish to improve the corporate governance of pension schemes by ensuring that there are proper arrangements among trustees, custodians and investment managers, or is he opposed to short selling as a matter of principle? His new clause would allow short selling in two cases: if there were improved governance arrangements and if

"the share price at the time of the transaction was higher than it was at the close of the previous trading day".

I am not entirely clear whether shares could be lent if the short selling was on an uptick even if the custodians had not been given permission. There is confusion even in new clause 8(1)(a) and (b). Would the custodian always need permission to lend, or would that permission be necessary only in certain circumstances? Perhaps the right hon. Gentleman will deal with that point in his winding-up speech.

Mr. Tyrie: For the sake of clarification, so that Conservative Members are clear on the matter, it has been implied that somehow we favour an unregulated free-for-all on short selling. I hope it is the position of Conservative Front Benchers—it is certainly mine—that short selling and, for that matter, the long derivatives markets need to operate within a framework of regulation, and that we are not in favour of a market in which share price manipulation and fraud such as we saw in the Maxwell case can flourish.

Mr. Hoban: Indeed. To be clear, that is why the right hon. Gentleman is misguided in tabling amendment 1, which would remove clause 13. That clause sets out a proper framework for the regulation of short selling and will replace the existing regime, which is based on the market abuse directive—many people thought that directive was inappropriate.

The clause will introduce a new framework, which will be part of the Financial Services and Markets Act 2000, to enable the Financial Services Authority to take action in certain cases. That is the right response—a proportionate response to the risk that has been identified. Indeed, when the FSA intervened in September or October to ban short selling for financial institutions, we were supportive.

All those activities need to take place within the proper regulatory framework, and in considering different aspects of short selling and the different approaches that one might take to tackle some of the issues around it, we need to think carefully about what is the right cost-benefit analysis. Is there a legitimate reason to allow short selling? If we were to restrict short selling, what would be the consequences? I have already made it clear that one such consequence would be a reduction in the relatively small amount of income that pension funds get from lending their shares.

In the aftermath of the temporary measures that the FSA introduced last year, it has produced a discussion document that considers short selling and thinks about the potential implications of the restrictions that could be introduced to make short selling more difficult. Interestingly, two of the measures that it suggests reflect measures proposed by the right hon. Gentleman. The first is a prohibition on naked short selling to ensure that it occurs only when cover is in place. Some proponents of a ban argued that it would reduce settlement failures and limit

"the speed and the extent to which a short selling strategy can be executed and thus...act as a brake on more aggressive short selling".

The other side of the argument—the argument made by those in the market—is that a ban on naked short selling

"would prevent legitimate behaviour which can provide beneficial market impacts."

For example, a ban on naked short selling

"would stop intraday naked short selling"

and trading. It would

"significantly impair the ability of market makers to function properly, as it is often a necessary part of their role to short sell to meet client demand for a stock."

There are arguments on both sides, and in the end the FSA discussion paper concluded:

"Although a prohibition on naked short selling...would be less far-reaching than a prohibition on short selling generally",

it

"would still have net negative impacts."

That conclusion was borne out by the responses to its consultation process.

The right hon. Gentleman has also introduced a form of the uptick rule, which has been used in the States: people can sell only in a rising market. That has been a feature of the US regime for some 70 years. Again, it was discussed in the context of regulatory reform here in the UK. Interestingly, the Securities and Exchange Commission concluded that it

"should remove price test restrictions because they modestly reduce liquidity and do not appear necessary to prevent manipulation".

It came in for a bit of flak for that—it was before the financial crisis—and some argued that if the SEC had still had its uptick rule, that would have reduced some of the turbulence in the financial markets in the wake of the credit crunch. Having said that, the evidence suggests that those rules provide limited protection against the negative effects of short selling, and the FSA commentary says that at most they act

"temporarily to decelerate share price declines."

It goes on to argue about the infrastructure costs required to introduce an uptick rule.

5.45 pm

It is right to discuss measures that could restrict short selling, but the debate under the auspices of the FSA would suggest that, on balance, the measures proposed by the right hon. Gentleman are detrimental to investors, rather than achieving a net benefit. The extensive work by the FSA would argue for a rejection of new clause 8, but if he is concerned about governance, there are other ways of doing it, and we should not try to restrict short selling through his proposals.

John Howell (Henley) (Con): This is the first debate initiated by the right hon. Member for Birkenhead (Mr. Field) in which I have participated. It has been an interesting discussion about what, I am sure, many people outside the Chamber regard as a rather esoteric but nevertheless important subject. If there are concerns about the role of the custodian, I am confused as to why the right hon. Gentleman did not table a new clause specifically to deal with that, because we might want to discuss a number of problems related to that and how that role fared throughout the recession.

The proposals would make a fundamental change to the measures set out in the Bill, as they would move from a situation in which short selling is allowed unless it is banned to one in which it is banned unless it is allowed. When my hon. Friend the Member for Chichester (Mr. Tyrie) and I were in central and eastern Europe, introducing market economy and democracy to those areas back in the '90s, the distinction between a society in which something was allowed unless banned and one in which something was banned unless allowed was the principal distinction that underpinned the difference between the free markets of the west and the markets that we were trying to eradicate under the old communist system. When we used the word "eradicate", we meant "eradicate", not "reduce it to 10 per cent."

When the Committee discussed the issue, there was a question about the basis on which we were working. There was considerable consensus that regulatory intervention was justified where there were identified market failures, and it was expected to deliver net benefits to the market. That was certainly the presumption in our significant debate about what those market failures might be. The obvious example of abuse was largely covered by the FSA's existing powers, but there was also the question of the disorderly markets that we have seen in the current crisis, as well as deficiencies in transparency.

I recommend that the right hon. Gentleman read the discussion paper produced by the FSA on short selling, because it covers all those issues in considerable detail and concludes:

"Short selling can generally be expected to increase market efficiency but can have negative impacts. In times of extreme market turbulence and for firms engaged in rights issues these risks are heightened. The fact that short positions are not normally disclosed to the market may also result in market transparency failure. Nevertheless, given that short selling has clear benefits, restrictions on it do appear to come at a cost".

That cost refers not just to liquidity and the cash cost but to reduced market efficiency.

The extent to which there were problems was not clear, even to the FSA. On transparency, for example, it concluded:

"It is not clear whether a lack of transparency about the level of short selling and the identity of short sellers gives rise to a material market failure."

Even after doing all that work, there was still a considerable amount of disagreement.

My hon. Friend the Member for Fareham (Mr. Hoban) touched on some of the options that the FSA identified. There are six in all. One of them, which follows the right hon. Gentleman's line, was to prohibit the short selling of all stocks. Other options were to prohibit naked short selling, prohibit short selling of financial sector stocks, prohibit short selling of companies engaged in rights issues, prohibit short selling by underwriters of

[John Howell]

rights issues, and finally, prohibit short selling where there is urgent need. It is the last one that we have ended up with in the Bill, although it is the first one towards which the right hon. Gentleman's new clause is edging.

As stated, there were a number of costs in terms of pricing efficiency, liquidity and forgone profits. One of the issues that needs to be explored further—I have no idea whether the right hon. Gentleman has thought through the implications—is the costs of the scheme. It concerned me in Committee that with the Government's preferred option, they were rather clutching at straws, given the wide ranges put forward in the impact assessment, which went from £106 million to £1,066 million as the cost of the option that they eventually chose, which is now in the Bill. It would be interesting to see whether there was a quantification, how much wider that might be and what the top end of it might be, if one followed the right hon. Gentleman's view.

The other issue which it is important to mention is the relationship with the international regime, which has not been touched on so far. There is an admission already by the Treasury that the UK currently has a wider definition of market abuse than many of our European counterparts. Even the FSA admits that market participants have encountered problems and significant costs in having to comply with the variety of different regimes introduced across a number of different jurisdictions. It should be recognised that we need to be seen to have a regime that is applied as widely as possible internationally. We struggled with the clause currently in the Bill, and how that fitted in with the international regime. One of the witnesses who spoke to us concluded—damning with faint praise—that it would probably work out all right because the wording is sufficiently wide that in all probability it will allow anything into it, which is hardly a glowing endorsement.

I find it difficult to see how the new clause would fit in with the approach adopted by other countries. Germany has a ban on naked short selling, but only on specific financial institutions, not generally. In its approach, France has aimed at the short selling of financial sector securities as well. Finland has opted for considering more supervision, rather than any banning. The Czech Republic, being the Czech Republic, has opted for no action whatever on the matter.

The only country that I could find, although there may be others, where there was any semblance of a relationship to what the right hon. Gentleman was hinting at was Belgium, where the whole approach to short selling was linked to good order, integrity and transparency. The rules there were to ensure that sales were covered, but with restrictions on the lending of shares. It is not a regime that has widespread attraction or merit. If we adopted the right hon. Gentleman's new clause, therefore, we would end up down an alley of regulation where none of our European competitors would want to go. That would leave the UK exposed.

Ian Pearson: We have had a useful debate, and it is clear that there is substantial support for what the Government are trying to do through clause 13.

Amendment 1 would delete proposed new part 8A of the Financial Services and Markets Act 2000, which aims to provide the FSA with a new power to prohibit, or require disclosure of, short selling. New clause 8 proposes an alternative prohibition. I listened carefully to the arguments put forward by my right hon. Friend the Member for Birkenhead (Mr. Field) who expressed general concerns about short selling, which I believe are shared by people who consider it to be a dangerous and speculative type of financial transaction. He referred to it as gambling, but I cannot agree with him.

It is indisputable that, in certain circumstance, short selling can have adverse impacts, which can endanger financial stability. That is why the Government are committed to ensuring that the FSA has powers to intervene to prevent short selling and require its disclosure where necessary. But it is my view and that of the Government that, in general, short selling has clear beneficial effects for the market.

Short selling is an important source of liquidity, it is a common risk management tool, and it improves pricing efficiency. That is why I believe the targeted approach and the proportionate way we are tackling the issue through clause 13 will allow the benefits of short selling to be claimed by those who use it responsibly, while preventing those who would seek to abuse it from doing so. That is preferable to the blanket prohibitions proposed.

The hon. Member for Chichester (Mr. Tyrie) sought evidence of the efficacy of the recent ban on short selling. As he is aware, the ban was aimed at preventing the short selling of UK financial stocks, other than in permitted circumstances. The FSA monitored compliance with the ban and considers that it achieved its aim. In the future there will be academic studies examining short selling bans in great detail, but in those narrow terms the measures that the FSA introduced were effective in achieving its aims.

As my right hon. Friend the Member for Birkenhead knows, his new clause would prohibit the majority of short selling in shares. First, naked short selling—that is, where the seller sells shares that he does not own, without having borrowed or otherwise set aside any shares to settle the transaction—would be permitted only if the share price at the time of the transaction was higher than the closing price the previous day. Such a prohibition, as we have heard, is known as an up-tick rule, and would allow unrestricted short selling in an advancing market, but would prevent short selling at successively lower prices. There is little evidence that this method does anything other than decelerate a share price decline.

As we heard, the FSA looked at the introduction of an up-tick rule during its 2009 consultation and concluded that the costs that firms would incur to implement such a rule far outweighed the benefits. Respondents to the FSA consultation strongly opposed the introduction of an up-tick rule.

The second prohibition proposed by the new clause would restrict covered short selling, where the short seller has borrowed shares, to circumstances in which the beneficial owners of the shares had given their permission at an AGM for the shares to be lent. I understand the purpose behind my right hon. Friend's proposal, but this may increase the costs of covered short selling by limiting the extent to which some entities are able to lend their stock and depriving them of low-risk income in the form of lending fees. However, in the Government's view, it would not act as an effective control over short selling.

The prohibitions proposed by my right hon. Friend would be blunt and inflexible. I appreciate the probing nature of the new clause, and it is important that we have this debate. As they stand, however, the prohibitions would not allow the FSA to impose targeted controls on short selling, by banning short selling in particular financial instruments, or instruments issued by a particular company on a temporary basis. As a result, we consider that they would not adequately assist the FSA in protecting the stability of, and maintaining confidence in, the financial system.

The new clause would require disclosure to the FSA of all short selling, regardless of how small the transaction is. The FSA would be given no discretion to adjust the contents of the declaration, to ensure that the obligations imposed under this provision were proportionate. The Government's view is that there is no evidence to suggest that requiring such extensive disclosure would produce any benefits to outweigh the extensive costs it would impose on companies.

6 pm

There is, as I am sure the House is aware, a global regulatory consensus that requiring disclosure of short positions will help to reduce the potential for abusive behaviour and disorderly markets, and I am sure we all agree with that. A great deal of work is taking place to try to secure international agreement on how that can be effectively implemented consistently. We are certainly working hard to ensure a pan-European approach to short selling, and the disclosure regime that is likely to be agreed in Europe is intended to include the disclosure of significant net short positions; a two-tier disclosure model, with private and public disclosure set at different thresholds; the incremental disclosure of changes of position above both thresholds; and an exemption for market makers. It is intended also to apply to positions in all shares, not just shares of financial stocks. I can therefore assure my right hon. Friend that a great deal of work is going on in that regard.

My right hon. Friend also raised the issue that other hon. Members suggested was primarily one of corporate governance. His point was whether trustees of pension funds or, by analogy, directors of companies knew that their stock was being lent. The Financial Services Secretary, Lord Myners, has commissioned an informal review of stock lending, and any further safeguards that might need to be recommended to stock lenders, including pension funds, would be considered as part of that. My right hon. Friend highlighted the point, but other hon. Members responded by saying that boards and trustees are responsible for ensuring that they have corporate governance procedures in place adequately to control the funds and companies with which they deal. I am sure that that is absolutely correct, but in these circumstances the Government and the FSA may wish to issue advice on stock lending, and that is being looked at.

My right hon. Friend mentioned that his proposed change was a probing new clause, and I hope that, having helpfully raised this issue, he will seek to ask leave to withdraw it.

Mr. Frank Field: I have learned much from this debate, not least from the disclosure by the hon. Member for Henley (John Howell): I had no idea that he and the hon. Member for Chichester (Mr. Tyrie) were outriders for the free market in eastern Europe. Although that free market may have been beneficial overall, there have in those societies been many permanent losers from the new gospel that they have taken to those countries.

What disturbs me most about the debate is that I have failed to register in all parts of the House that there was—anyway, but even more so after the banking and economic crisis in this country—disquiet about the fact that people can use shares that are not theirs to force down the price of those stocks and perhaps endanger a company's future; that they can undertake similar activities with the basic things that we need for our everyday lives, such as oil and food; and that somehow those activities will continue. However, my hon. Friend the Minister is right: my proposed change is a probing new clause, and we will have a chance to consider what has been said today before the measure appears in another place.

Before I withdraw the new clause, may I state on the record that, until the debate opened, I did not know that my hon. Friend was not standing at the next election? I am sure that it is good news for him—otherwise he would not have made the decision—but it is bad news for the House.

I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 9

BANK AND BUILDING SOCIETY ACCOUNTS OF RETAIL CUSTOMERS

'(1) It shall be a requirement on banks and building societies that accept deposits from retail customers that they must offer retail customers—

(a) at least one current account in respect of which no charge is made for holding the account when it is in credit; and

(b) at least one savings account in respect of which no charge is made for holding the account when it is in credit, and on which interest is paid to the account holder.

(2) A penalty may be imposed by the Financial Services Authority on a bank or building society which fails to offer accounts in accordance with subsection (1).

(3) The penalty which may be imposed for a first offence under subsection (2) is a penalty not exceeding £100,000.

(4) The penalty which may be imposed for a second or subsequent offence under subsection (2) is an unlimited fine.'.—*(Mr. Frank Field.)*

Brought up, and read the First time.

Mr. Frank Field: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss new clause 15—*Bank charges*—

'(1) The Unfair Terms in Consumer Contract Regulations 1999 (S.I. 1999/2083) is amended as follows.

(2) After Regulation 6(1), insert—

"(1A) Paragraph 2 shall not apply to contracts for the supply of financial services.".

(3) After Regulation 6(2) insert—

"(3) In so far as it is in plain and intelligible language, the assessment of a term in a contract for financial services shall not relate—

(a) to the definition of the main subject matter of the contract, or

[Mr. Deputy Speaker]

(b) to the adequacy of the main price or remuneration, as against the goods or services supplied in exchange.

(4) Where a term of a contract provides for the charging of a consumer and the circumstances in which that charge can be imposed need not arise during the term of the contract, then such price or remuneration shall not fall within the main price or remuneration for the purposes of paragraph (3).

(5) If, for the purposes of paragraph (3) there is doubt about what represents the main price or remuneration, the interpretation which is most favourable to the consumer shall prevail.".

Mr. Field: I shall try my luck with this new clause. Let me set out the stall behind the proposed change, which is not a probing clause but one for which I hope to have sufficient support so that, if the Government do not accept it, we can vote on it.

The current mantra, which one hears too much of, from Presidents, commentators and the media generally, is that we must move to a situation in which no bank is too big to be allowed to fail. I cannot understand that conversation. If we look at this country's experience, we find that Northern Rock was an honourable bank playing a very important role in its own region, but nobody in their right mind would think that it was of a size that would fit the formula that we hear in the cant being peddled about banking reform. It was a very small player, but the Government rightly thought that, small as it was, it was still too big to be allowed to fail because of the domino effect it would have had on other banks in our financial system and on our economy generally.

So although I do not share the commentators' views about where we have got banks, I share the banks' view of where they think they have got us. The banks know that they have got us over a barrel, but we have come up with nothing to control their activities. We know that when the time is ripe—certainly, when the banks judge it to be ripe—they will try to re-establish an equilibrium that is even more favourable to them than the current one. I fear that in that world, particularly given the Supreme Court's action recently, one move will be to disengage from offering free banking to people who bank with a bank or a building society and have their accounts in surplus. I therefore appeal to the House not to trust the banks' better judgment, or what they see as being in their own self-interest, but to protect, most importantly, our poorer constituents. Every bank and building society that trades in this area should provide one account for banking purposes and one for savings purposes on which there should be no charges provided they are in surplus. That is my case. I cast the bread on the water and shall see where it gets me.

Mr. Love: I wish to speak to new clause 15, and I make no apology for bringing it forward today. It covers important policy issues, and there is significant public concern about the Supreme Court's recent decision.

This new clause was fully ventilated in Committee and ably moved by the hon. Member for South-East Cornwall (Mr. Breed), so I shall not go over the issue, which is well known, other than to reaffirm that thousands of consumers have been affected by the decision on unauthorised overdraft charges, and to emphasise the mix of public surprise, shock and delayed anger at the Court's decision, which was to reverse the previous decision of the Court of Appeal and lower courts. That is why there is considerable public concern.

I want to focus on the judgment that two members of the Supreme Court made, allied to the main finding in relation to overdraft charges. One of the judges was quoted as saying:

"Parliament may wish to confer a higher degree of consumer protection by re-visiting its previous decisions"

when drawing up legislation. New clause 15 is an attempt to achieve exactly that. It would respond to genuine concerns among the public and ensure fairness as we move forward after the great disappointment of the Supreme Court decision on existing charges. Many consumers and consumer organisations think that the best and simplest way to do that is to revisit the Unfair Terms in Consumer Contract Regulations 1999. The new clause reflects that, because it would ensure that these charges were clear and transparent, which is an important consideration given the history of the development of this issue. It is also proportionate, which is a critical consideration.

Some people will ask why the Department responsible—the Department for Business, Innovation and Skills—cannot simply issue amended regulations. However, as we heard in Committee, that is complicated by the consultation on a new European Union consumer rights directive, which has been going on for a considerable period, as is usual in such cases. The Minister said that slow progress was being made. However, given that, as was agreed across the Committee, there is little prospect of that mechanism coming into force very soon, it does not answer any of the public, or indeed parliamentary, concerns about the matter. The new clause is a sensible and pragmatic response to what happened at the Supreme Court.

In Committee, the Minister said that he is unsympathetic, at this stage, to following a legislative route and prefers a voluntary approach on the basis that that would be quicker and, perhaps even more important, more flexible in how it addressed not only the particular issue dealt with by the Supreme Court but other changes that may occur in the marketplace. Although I could have some sympathy with that argument, the history of this issue makes it difficult to believe that there is an easy or a quick solution.

The Minister says, rightly, that if voluntary measures fail to deliver, then Government action will follow. However, I question exactly what will happen in such circumstances. Throughout our discussions of this matter, as it has gone through the courts and before it reached legal proceedings, it has been absolutely clear that the two sides have completely failed to agree, and that greater polarisation has occurred as the debate has gone on. On the one side, consumer organisations and the public believe that these charges are totally unfair; on the other side, the banks suggest that this is normal practice to which they remain committed regardless of the public reaction. All that I can see arising from the voluntary mechanism is that we will get into a time-consuming discussion and end up, at best, with a fudge, and I suspect that neither side will be particularly happy with the outcome. The new clause offers a genuine prospect of delivering a quick and effective solution at a time when we have a window of opportunity. It would respond to the public mood and the expectation that change will follow the decision of the Supreme Court.

6.15 pm

In Committee, there was a lot of discussion about whether the wording of the new clause was appropriate. The Minister suggested, as he often does, and often correctly, that perhaps those who originated it had not thought through all its implications, and questioned whether there might be some unintended consequences. I was more surprised that he went on to complain that it was so widely drawn that it almost amounted to price regulation; I suspect that that might have been an overreaction. I accept, however, that he put forward a variety of reasons to justify his conclusion that the new clause should not be pursued. He talked in general terms about not intervening in competitive markets and about how competition benefits consumers. We had a long and fruitful discussion, led by the hon. Member for Chichester (Mr. Tyrie), about the idea that we should make financial markets more competitive. I sign up to that. However, much of our discussion of this issue relates to whether market failure is occurring and whether, in those circumstances, regulation is necessary.

I want to return to the issue of unauthorised overdrafts. As we heard in Committee, one of the surprising things in a so-called competitive market is that the charges that the banks impose for unauthorised overdrafts are remarkably similar, so it is pointless for someone to go from one bank to another because they will be treated in pretty much the same way. Someone on a modest income will be charged a very large amount of money for their overdraft compared with what they have in the bank. It is difficult to see how the existing situation benefits consumers. I am therefore unmoved by the argument that competition will deal with the issue.

The Minister suggested that the new clause would have a sweeping impact across the whole financial services sector. However, I remind the House that its terms would restrict the OFT to addressing only the ancillary terms of any contract—it would not have the right to question the so-called value-for-money equation or the price mechanism within those contracts. We must also recognise that the OFT would have to act only when the terms were unfair, and show clearly that in its view they were unfair, before action was taken. I accept that, as the Minister says, the new clause would widen the coverage considerably by taking in large numbers of financial services contracts. However, I submit—I understand that the Minister would want to consult others—that, with the restrictions that I have described, it would provide real protection for consumers in their financial services contracts.

I listened very carefully to the discussion in Committee, and I was not entirely convinced that the new clause before us then would not have provided answers to the decision of the Supreme Court, the concern and anger of consumers and the public and the need for prompt and directed Government action. New clause 15 would do all those things, and I commend it to the Minister and the House.

Mr. Tyrie: Unlike the previous new clause tabled by the right hon. Member for Birkenhead (Mr. Field), I have sympathy with the intent behind new clause 9. I believe that customers should be made aware of the charges that they are really paying. That also has a considerable bearing on new clause 15, tabled by the hon. Member for Edmonton (Mr. Love).

I strongly agree with the hon. Gentleman that we should not be in a position in which people do not really know what they are being charged for such a crucial service as banking, or indeed any service. I also agreed with him when he said—murmurs of approval from a sedentary position by the hon. Member for Wolverhampton, South-West (Rob Marris) could be picked up on the microphone system—that we have, if not market failure, market distortion in this respect. That needs to be addressed. It is caused by a lack of information in the market; people do not know what their bank will take off them as their relationship with their bank develops. Even if they do know that when they first receive their terms and conditions, they certainly do not each time the bank sends them new terms and conditions, which they do as frequently as once every six months and certainly once a year.

I am wary of the specific approach taken by the right hon. Member for Birkenhead in new clause 9, because it amounts to direct price regulation. Normally, although not always, that leads to higher costs and less competition in the long run, and therefore consumers lose out. There are countless examples of that having happened in markets. The absolutely crucial task that we need to accomplish—by "we" I mean both Parliament and regulators—is to arrive at a point at which consumers can choose which bank to be with on the basis of the costs that they will really incur in having the service made available to them.

In a nutshell, what is required is that the banks should provide customers with a regular itemised estimate of the total charges and interest payments on their account. The sum should include interest forgone on current account surpluses and on deposits, defined as the difference between any interest earned and base rates. That amount would be very low or zero at the moment, because base rates are low, but those are very unusual circumstances as we recover from the crisis. The sum given should also, of course, include any transaction charges, regular account charges or other charges that are customarily levied. If we ensured that, we would go a long way towards supplying customers with the information they need to choose between various banks.

Let us compare the situation for a moment with what has happened in the insurance market. Some 30 or 40 years ago, people had a relationship with one broker or company and rarely thought of changing each year. These days, they go to a search engine and look up which insurance company will give them the best deal. For a small fee, or sometimes nothing at all, they obtain the information required to get the best possible insurance deal. There is no logical reason why such a service cannot be provided for a market such as reail banking, to enable people to have full transparency on bank charges. However, it requires banks to be forced to supply the necessary information.

I set out such a proposal in a short publication for the Centre for Policy Studies a few years ago. It was taken up by the Office of Fair Trading, which was already on the case, or at least thinking carefully about going in a similar direction. The central problem that we had, which is pertinent to the new clauses, was that financial services legislation and other regulatory arrangements for the conduct of retail bank business do not provide clear leadership on the matter. We are left with a legacy of self-regulation and a bit of a mess where the responsibility falls between three stools. We need leadership from the

[Mr. Tyrie]

Financial Services Authority. We need it to be in the lead and responsible for maximising competition in the sector, which is why, although I will not labour the point, it is crucial that financial services legislation should have at its heart an objective to maintain competition. If it had that, the FSA would work closely with the OFT to secure what was required.

It is very important to get across to all those who have bank accounts—virtually all of us these days, or at least a very high proportion—that there is no such thing as "free banking", which is a misleading term that can only have any currency because people do not know what they are really charged. While we leave the market as distorted as it is, without the information required to enable people to know that, we will continue to have scandals or unacceptable practices of the type that we have encountered in the case of overdraft facilities.

Mr. Frank Field *rose—*

Mr. Tyrie: I was about to conclude, but I give way to the right hon. Gentleman.

Mr. Field: I am even more pleased that the hon. Gentleman has given way if he was about to conclude. I agree totally with him about the importance of information, and that there is no such thing as a free bank account, because banks redistribute resources and charges to present to customers accounts that are free of any charges in a technical sense. However, does he agree that a free bank account in the sense that we are now using is most important to people on the lowest income, who have the least money? They are increasingly forced to use the banking system to undertake many activities that they would previously have covered with cash.

Mr. Tyrie: It is important that we ensure that banks do not end up cross-subsidising the more affluent account holders by levying disguised high relative charges on the less well-off. However, I am not an advocate of a system of bank charges that will conceal the true cost from customers. I fear that providing people with a free bank account would have that effect and send completely the wrong message to account holders. If we believe in principle that people need to have free accounts—I am not advocating that, as I have not thought it through carefully enough—it would be better to offer to pay the cost of them directly. If we insist that people have accounts in order to receive benefits, the taxpayer should logically bear that cost, at least in principle. There may be many technical and other reasons why that cannot be done, but logically that should be the position.

There is a further reason for going for transparency rather than regulation. Although I have not worked out how the banks will do it, I am confident that they will take advantage of any regulation, and the additional complexity that that imposes on a pricing system, to find other ways in which to levy disproportionate charges on their clients.

6.30 pm

Indeed, the current lack of transparency encourages the banks to produce misleading products. They are often called free banking or free credit products and they litter the letter boxes of millions of people, but they are not free and they carry stings in the tail. They give customers the misleading impression that all banks are the same and that it is therefore not worth moving banks. That is harmful in itself—it should be much easier to move accounts between banks. For all those reasons, we must move to greater transparency.

Although I cannot support new clause 9 or new clause 15, I hope that the message that the debate sends will reach the regulators and that they will press harder to achieve transparency. I hope that if we are shortly sitting on the other side of the Chamber, we will return to what is really required to ensure that banking customers can find out how much they are being charged so that we can have some more competition in the banking market.

Mr. Breed: Again, we have had a useful exchange and I do not want to prolong matters unduly.

I have some sympathy for new clause 9, but bank charges have been a bone of contention for far longer than the past couple of years or so. As a former bank manager many years ago, I can remember charging people two guineas—that shows how long ago it was—and sometimes five guineas. There was massive cross-subsidy—there always has been. Some poor soul would pay the five guineas, whereas the debt of someone who had worked their account enormously and had a large potential probate in the executor and trustee company was offset, and he would not be charged in case he took his business somewhere else.

There has always been some mysticism about charges—much of it was done by holding a wet finger in the air. When computerisation was introduced, we had all the information about the accounts—the number of cheques, credits and so on—but at the end of the day, the system used to be based on how much we felt we could charge because we wanted to retain the business. I believe that there was far greater competition—genuine competition—then than there is today, and banks genuinely tried to secure new business.

I therefore understand the sentiments behind new clause 9, and that back in those good old days—if they ever were good old days—bank accounts were not essential, but something that people wanted. Owning a bank account was not a requirement for living one's life, whereas it is today. People cannot really do anything without a bank account and it has become a much greater necessity for those who perhaps 20 or 30 years ago would not have contemplated having one. They did not need one—perhaps they could go to the post office or even a trustee savings banks or pay in cash. However, today, a bank account is necessary.

My fear about the way in which the new clause is drafted is that, as a former banker, I could provide someone with such an account, but it would unfortunately not be accompanied by a cheque book; the holder would not be able to use a cheque card; there would be no arrangements for direct debits or standing orders; it would probably require a minimum credit balance of £100, but the holder would not have to do anything with it. It would yield minimum interest and, although the holder might not be charged for holding it, they might be charged for setting it up. The likelihood of anyone's holding one is therefore nil. We would have to be very detailed and prescriptive about the operation of such a

bank account. It would therefore be almost a recipe for price regulation, which one would nail to the wall, and everyone would have to follow it. That would destroy the whole concept of competition.

Yet I believe that there needs to be a basic bank account for people with low balances—those who have their wages paid in, and almost all the money goes out again during the month. They need a bank account, otherwise they cannot get paid. We need to find a way in which to implement if not a free account, a low cost account for those people.

There has never been free banking—there is no such thing as a free lunch. However, since the Supreme Court decision, my fear is that the concept of people not being charged—which is not quite the same thing as free banking—will diminish and that many more charges will be levied on accounts.

Mr. Tyrie: Does the hon. Gentleman agree that the key piece of information is not only the charge that will be levied, but the difference between the interest earned on base rates and the interest paid on that account to the customer? Until the customer has that information, he will always in a position whereby he can be taken to the cleaners' by his bank as it varies that rate of interest.

Mr. Breed: I agree. In a sense it has been allowed to happen because, for many decades, there was a feeling that the relationship between the account holder and the bank was one of good faith; an inherent feeling that the bank would be fair and act in good faith on the customer's behalf—perhaps even give them some good advice occasionally—and would not take people to the cleaners' every time they transgressed. When banks did the latter, it came as a great shock.

I suspect that many Members of Parliament have been approached by account holders who complained because they had miscalculated the day on which they would get their salary and drawn a cheque, thereby overdrawing their accounts by £10, £15 or £20. They then found that for that £20 transgression, they were fined £30 and another £20 for the letter informing them of that. In a day or three or four, a transgression of £20 had become £100, which was directly debited from an account. People were not advised that it would be debited; it was done automatically—the money was gone. By the time the letter arrived, the account holder was substantially more overdrawn than they ever anticipated, mainly because of the charges.

That compounding of the problem led to the complaints about charges on top of charges. The banks suddenly found that they could make all sorts of other charges for unauthorised things. Even two or three years ago, I know of someone who complained to a bank after banking with it for 25 years, and was told, "Very sorry, we don't want you banking with us any more. Would you kindly arrange to close your account in three weeks?" It was amazing. All the person had done was complain, and the bank had written a letter saying, "Hard luck if you don't like it. If you don't close your account, we'll close it for you." Banks' behaviour reached the height of arrogance, and people collectively said, "Enough is enough."

It suddenly became clear that such behaviour was happening everywhere, and the complaints meant that some people were refunded—sometimes after going to the bank and thumping the desk, sometimes with the help of hon. Members. Then the refunding stopped because the complaints were so numerous that it was felt that the matter had to go to court. Many people waited for the verdict, but the case lasted for a long time. At first, the court's decision appeared to be in the complainants' favour, but now we know that it was not.

Many people feel that they have been cheated not only once, but twice. They feel cheated because they paid enormously high charges for unauthorised overdrafts—there is a difference between charging people legitimately for the work entailed and penalising them for unauthorised actions—and cheated again because the court ultimately decided for the banks, which were in pretty bad favour anyway.

We have got to a situation in which such good faith as there may have been has been totally dissipated—the public relations for the banks has been a disaster—and we must now get back to a transparent and obvious means of charging.

Rob Marris: May I give the hon. Gentleman a small, personal example of how far trust has broken down? My mother has had an account with Lloyds bank for 80 years, and she is considering moving.

Mr. Breed: I have been banking with what is now HSBC since 1964. It is easy for me to say that it has been good to me because I worked for it for a long time, but I know many who feel the same as the hon. Gentleman's mother. They feel not only let down, but much worse. The relationship of understanding, good faith and everything else has completely and utterly gone. As I said, people feel cheated. They have paid out money that they should not have paid out. The fact that it was simply taken from them is also a problem. Back in the so-called good old days, we used to advise people that we were going to charge their accounts on a certain date. If they were terribly upset, they could at least come in to the bank before it happened. Now, people are told after their accounts are charged, which is the wrong way round. Some got refunds, but many did not.

Obviously, I support new clause 15, which was tabled by the hon. Member for Edmonton (Mr. Love), because it mirrors a proposal I made in Committee. I have reflected on what the Minister said in Committee. Of course, in some respects, he is right that new clause 15 is slightly more widely drawn, but that is not a bad thing, because it would send exactly the right message. It would mean that unfair charges are not sanctioned whatever they are levied by, be it a bank, insurance company or anything else. If charges are inherently unfair, they should not be sanctioned, and if the measure is widely drawn and captures products other than just bank accounts, that is all well and good. I see no reason whatever why we should allow unfair charges.

It seems that the OFT has put the white flag up, which means that unless something is done in the House, things are not going to change. As I said in Committee, I suspect that even if we passed new clause 15, it would be unlikely to be retrospective, which I think is sad, because people feel hurt and upset. The banks have got some real fence-mending to do. They must do an awful lot more for those people who feel they have abused their position in charging unfairly—extortionate amounts in some cases. The banks must review that, but

[Mr. Breed]

we cannot make them do so. New clause 15 would at least put the situation back to what we all understood it was, and to what would appear fair to most reasonable people, which is right.

I would like to support some aspects of new clause 9, tabled by the right hon. Member for Birkenhead (Mr. Field), who is temporarily not in the Chamber, but unfortunately, it would be completely circumvented by the banks. If they were asked to do what the clause asks them to do, they would circumvent it, so it would be a complete waste of time. However, as the banks are providing a service which is more of a utility now—having a bank account is a necessity in the daily lives of many who would not normally have had one—we must have a clearly understood, basic bank account, perhaps involving a minimum number of cheques or direct debits or whatever, so that people know that as long as they stay within a certain regime, they will not be charged. The account will not be free, but people will not be charged. There is a necessity for that. The terms and conditions of so many accounts these days run to three or four tightly printed pages, which is unnecessary, and we need them to be clear. We could have a much more basic tariff and a clear description of what an account will provide and what charges people would be expected to pay.

6.45 pm

Finally, the real problem has been unauthorised overdrafts. People will ask, "Why should people who properly look after their accounts, make certain that they do not create an unauthorised overdraft and operate their account perfectly satisfactorily, be penalised or pay charges to cover people who do not have a sense of discipline in the operation of their accounts?" I have some sympathy for that. The banks need to be clear what they are going to charge, but customers must recognise that they have a responsibility for ensuring that their account stays within the tariff or agreement, and that should they go outside that, they leave themselves open to charges.

Mr. Hoban: The debates on new clause 9 and new clause 15, which was tabled by the hon. Member for Edmonton (Mr. Love), have been thoughtful. I do not wish to speak for too long, because much that needs to be said about the proposals has been said.

There is a superficial appeal to new clause 9, and to guaranteeing that there will be a free bank account for those who keep their account in credit and those who have a savings account that is in credit. However, the reality is that such accounts would not be free—there is a cost, as the hon. Member for South-East Cornwall (Mr. Breed) has indicated, and the question is who will bear it. In recent years, the cost has been borne by people who have been charged for having an unauthorised overdraft, perhaps with a significant penalty attached, but banks have also sought to build their margins on the sale of other products. All that happened because people use services in relation to their bank accounts that incur costs, which must be met from somewhere.

There is a need to be open and for people to recognise that there are many ways to skin a cat—an account may appear to be free, but the bank will earn income from the account holder to cover the cost from other sources. For example, the interest that a person earns when their current account is in credit might be collected and retained by the bank—the interest that most people get on credit balances is fairly small, even when interest rates are higher than they are now.

The challenge that we face is ensuring that there is transparency about the cost of people's bank accounts—my hon. Friend the Member for Chichester (Mr. Tyrie) made some important points on that. If we are much clearer about the cost of bank accounts, we will move closer to genuine competition between banks for current accounts. In that case, people would move away from the false perception that their account is free and begin to look at what charges they might incur if, for example, they were to move their account from Lloyds to HSBC. That is a helpful position. We want increased competition in the banking market, as we said in proposals published in July last year. However, we recognise that for there to be competition, people need to be prepared to switch suppliers. The barriers to switching suppliers need to be reduced, and people need to know just how much they are paying in charges. If the right hon. Member for Birkenhead had tabled an amendment that would have increased transparency, I might have been tempted to support it, but I cannot support new clause 9, despite its superficial appeal.

As the hon. Members for Edmonton and for South-East Cornwall have suggested, we have been around the track on new clause 15 before. The Supreme Court's decision on the case brought by the OFT against some representative banks left us in an uncertain position. It did not really resolve the question whether the charges were unfair. There were three routes available to the OFT—to pursue another court case on some different grounds, as suggested in the judgment; to change statute, which the new clause would provide an opportunity to do; and to reach a voluntary agreement with the banks about the future level of bank charges, which appears to be the one that the OFT has opted for.

No one should be in any doubt that if the voluntary agreement does not work, legislation is an available route. I am not as sceptical as the hon. Member for Edmonton about the prospect of voluntary agreement on this issue—perhaps I am by nature an optimist, or perhaps he is more pessimistic or cynical. It is interesting to note that in the run-up to the Supreme Court judgment at least one bank started to shift its position on bank charges and proposed some lower charges for unauthorised overdrafts, and it also differentiated between cases in which someone had received a service—if a cheque presented had been honoured—and those in which the bank rejected a cheque, which incurred a lower fee because no service had been received. That suggests that the banks may be interested in reaching a voluntary agreement, and we should maintain the pressure on them.

Mr. Love: I agree with the hon. Gentleman that there is interest on both sides in reaching agreement. My point is that the two sides are so far apart and their interpretations are so different—and the commercial interests are so palpable—that reaching agreement may prove more difficult.

Mr. Hoban: That is a reasonable view to take. The OFT and the banks will discuss the matter, and both sides need to recognise the pressure to reach a settlement.

It is in the interests of banks and consumers to reach that point and to avoid the continuation of the uncertainty that we have seen in the past few years.

Dr. John Pugh (Southport) (LD): The advantage of a voluntary code of conduct is that it allows for an appeal to the banking ombudsman. In general, banks pay attention to that authority, so it would take matters a little further on.

Mr. Hoban: Several people who complained about their charges referred the matter to the Financial Ombudsman Service, but the problem with the judgment reached by the Supreme Court is that the many complaints outstanding with the ombudsman and the county court system were left in limbo. The expectation, or the hope, was that if the OFT had won the case, it would have provided a framework for resolving the backlog of cases.

Mr. Tyrie: One concern, which may lead us to conclude that voluntary regulation would not be effective, is that if the market were functioning well, the most competitive banks would have worked out the numbers and would be telling the public that they were more cost-competitive than other banks that might appear to be charging less but that are in fact charging x plus y. The market is not transparent enough, and the incentive on the banks is not strong enough to provide it.

Mr. Hoban: My hon. Friend is right. This is part of the problem that relates to the point that I made on new clause 9. Until there is greater awareness in the market of the charges being imposed by banks and it is easier for customers to swap between banks, it is likely that the charging structure will remain uncompetitive. As part of enhancing competition in the banking market, we need more transparency and more competition. In our White Paper, "From crisis to confidence: plan for sound banking", we talk about some of the mechanisms that we could use to increase transparency and consider some of the initiatives taken in the US, where mortgage companies are required to produce information on charges in a standardised form that can be uploaded into a website to enable people to compare mortgage providers. A similar remedy might be appropriate in this market.

More work needs to be done in this area. A better functioning market would be an aid to reaching a voluntary agreement, but we should make it clear to participants that legislative solutions are a possibility if they do not make progress. We have also proposed that responsibility for consumer credit should shift from the OFT to a new consumer protection agency, which would bring the regulation of bank accounts within one home—at the moment, there is a split depending on whether an account is in credit or overdrawn. Our reforms would make it easier to bring the control of bank accounts within the remit of one body rather than two, which might make it easier to resolve this issue. Work is needed on both how to achieve a satisfactory resolution of the issue of unfair overdraft charges and how to increase transparency in the market and obtain a better deal for consumers.

Ian Pearson: New clauses 9 and 15 both touch on aspects of the charges payable by consumers for operating personal current accounts and savings accounts, and indeed for financial services contracts in general. We have had a useful debate with some good comments, especially on the issue of transparency.

New clause 9 would require banks and building societies to offer at least one personal current account and one savings account free of charge for holding the account. New clause 15 would amend the Unfair Terms in Consumer Contracts Regulations 1999, which would allow for the assessment of the fairness of certain charges in financial services contracts. As has been mentioned, we discussed that point in Committee.

As regards free accounts, I understand the desire to preserve the current model of so-called free banking, which suits many customers well. But I question the merits of mandating by putting into legislation "free banking" practices that are already widely available in the market. I am also concerned by the good governance aspect—we should not lightly act to compel any firm to provide free services that may not cover its costs.

Mr. Tyrie: I was surprised that the Minister said that free banking suits many customers well. Is not the truth that there is no such thing as free banking? Those people who think that they are getting free banking are getting nothing of the sort and are not being served very well. The real gainers from free banking are, of course, the banks themselves.

Ian Pearson: I agree, in the sense that the term "free banking" is something of a misnomer, which is why I have referred to "so-called free banking".

There are currently 17 basic bank accounts available from the major banking providers. They are popular with low-income households, because there is no cost for everyday transactions, and they are all accessible at post office counters. I am proud of the fact that this Labour Government have made a great deal of progress in assisting low-income households and the financially excluded. The work that we have done on basic bank accounts is a major step forward.

7 pm

I am concerned that forcing banks and building societies to offer so-called free services more generally could create a lot of unintended consequences and potentially have anti-competitive effects. If we restrict the ability to impose charges, incumbent firms will tend to generate revenue through lower interest rates or extra-cost voluntary options that were previously free. They might also restrict associated services and other mechanisms, which would cause consumer detriment. There may be elements of cross-subsidy in the current banking system, but most customers basically pay for the service in one way or another—I agree with the hon. Member for Chichester (Mr. Tyrie) on this point—such as through interest forgone or charges for ancillary services. Some pay currently through withdrawal penalties, overdraft charges, charges for bouncing a payment and so on.

New clause 9 would only ban charges for holding an account. It would create opportunities for circumvention, because it would create uncertainty about the scope for ancillary services and charges associated with the account. Again, many banks and building societies charge for such services as additional statements, stopping payments, using cards and cash machines overseas or issuing a

banker's draft. Such charges may come under challenge if new clause 9 were adopted, thereby potentially creating a lot of unintended consequences.

What I want to say, I suppose, is, "Let's be realistic." If some charges are ruled out, new ways of raising revenue will be found. It is conceivable that a charge could be imposed for making a withdrawal or, as happens in business banking, making a cash deposit, or for other types of transactions. Banks and building societies are there to make a profit; they should not be expected to offer a loss-making service. However, it is in the public interest that we should pursue them to ensure that they do their bit to help low-income and vulnerable households, which has indeed been the broad thrust of Government policy.

I recognise that there are transparency issues with charging for personal accounts—we have had a helpful debate on that—which is why the OFT has been investigating the state of the market for personal current accounts. It published interim reports in July 2008 and October 2009, and it is working with the banks to address the complexity and lack of transparency that it has identified. Those points relate principally to unclear charge structures and disproportionate charges in some circumstances. The Government believe that that is the right way to tackle problems in the market, although it is also right that hon. Members should highlight the issue of transparency.

Let me turn to new clause 15, which would amend the Unfair Terms in Consumer Contracts Regulations 1999 and would allow for the assessment of the fairness of certain charges in financial services contracts. However, the fairness assessment would be limited, being confined to circumstances in which fees are potentially payable but would not necessarily arise; in other words, it would be limited to contingent charges. I fully understand the reasoning behind how my hon. Friend the Member for Edmonton (Mr. Love) has structured new clause 15. It would address charges for bouncing a cheque, for example, where a bank customer may or may not exceed an overdraft limit.

New clause 15 would extend contingent charges across the entire financial services sector—we had a debate about that in Committee—and would go well beyond bank lending to include savings and investments, insurance, debit and credit cards, pensions, payment services and other types of consumer financial services. I understand the point made by the hon. Member for South-East Cornwall (Mr. Breed)—that we should not sanction unfair charges, no matter where they occur—but would simply say that the broad structure of new clause 15 has not been fully thought through, in terms of the overall costs and benefits.

I understand that one of the key points behind new clause 15, which stands in the name of my hon. Friend the Member for Edmonton, is to address bank overdraft charges, which were subject to the recent test case by the OFT. He knows that the Supreme Court ruled in that case that the OFT cannot assess whether bank charges for unauthorised overdrafts and unpaid items are unfair under the Unfair Terms in Consumer Contracts Regulations 1999, on the grounds of the adequacy of price as against the service provided.

Mr. Love: Does my hon. Friend agree that one of the problems that has bedevilled this discussion is that the Supreme Court only got a technical knock-out over the OFT? It did not determine the fairness of the situation; rather, it determined that the OFT could not make a judgment on that, which, to go by the public response, is making life much more difficult.

Ian Pearson: I might put it slightly differently. I certainly understand the concerns of consumers who have been affected by the Supreme Court judgment—they do not feel that they have got the remedy to which they felt entitled—which is why the Government have announced that we will take action to work with the OFT, consumer groups and the banks to seek to agree a fairer, simpler and more transparent system of bank charges in future. We have not ruled out further measures if a voluntary approach does not produce results.

We believe that a voluntary solution has many advantages. It can quickly adapt to changes in the marketplace. As my hon. Friend knows, any regulatory solution will need to be carefully thought through and will take more time. We must maintain price competition and avoid unintended consequences if firms compensate for any revenue reduction by developing new types of charges. However, there is a determination on the part of the Government that we should seek progress through the voluntary route.

On the broader point about the regulation of contingent charges across all financial services sectors, as I have indicated, I do not think that the case has been made. It has always been the policy of successive Governments to rely on competition to make prices fair and to intervene only where there is a demonstrable market failure that cannot be fixed by other means.

Mr. Breed *rose—*

Ian Pearson: I will happily give way to the hon. Gentleman, because I disagree with his suggestion that when it comes to taking action in this area the OFT has—I think that I am quoting him—put up the white flag. I strongly deny that. The OFT is on the case. It is not fair to say what he has said, but I will give way if he wants to try to justify it further.

Mr. Breed: I am delighted to hear that and look forward to hearing what the OFT has to say to demonstrate that it is going into battle again. On competition, part of the problem is that at the moment the competition, such as it is, is between three or four rather similar institutions. We want a much better and more competitive market, with some new entrants and totally different sorts of providers. At the moment, HSBC, Barclays, RBS and Lloyds are all similarly huge, monolithic organisations, with similar charging structures and similar services. If we had a much more competitive market, with new entrants such as Tesco and everybody else, that would help the competition argument, with which I agree, that the Minister is propounding.

Ian Pearson: I take the hon. Gentleman's point. We want competition in the banking sector. He is right to point out that although we have had some large, powerful players, in some instances and in certain product offerings there has not been as much competition as the Government would have liked. The OFT has obviously been looking at that, and it will continue to want to examine it closely.

Dr. Pugh: The Minister talks about the knock-on effects of changing the charges, but this is not a debate about whether we have charges or not; it is a debate about the structure of the charges. Do the Government have a view on what that structure should look like?

Ian Pearson: I am trying to make more than one point here. One of my points is that there still needs to be more transparency in personal accounts. I have also said that so-called free banking could result in additional charges being made elsewhere, and that companies would respond to that. There are differences of opinion between banks on how charges should be structured, but there are also many similarities, as the hon. Member for South-East Cornwall has suggested.

I was trying to make the point that we need to think through some of these proposals in more detail, particularly in regard to the action taken in the wake of the Supreme Court case. As I have said to my hon. Friend the Member for Edmonton, we see merit in a voluntary approach and, at the moment, we are persuaded that that is the best way in which to take these matters forward speedily. In Committee, he mentioned the proposals for a consumer rights directive that are being discussed in Europe. He will also be aware of the Government White Paper, "A Better Deal for Consumers", in which we said that we want to simplify and rationalise UK consumer rights legislation when implementing that directive.

It will be a matter for the next Parliament, and whoever is in government, to look at this issue and decide the best way in which to navigate through it. We cannot wait for ever and a day for a voluntary approach to succeed, and we cannot wait too long if the consumer rights directive is not going to see the light of day for a considerable period of time, but it will be up to the next Parliament to make those decisions. I fundamentally believe that there is no significant difference between the political parties on this matter. We all want to see the consumer getting a fair deal, and, through these discussions, we need to find the most effective, practical way of delivering that.

In the light of the reassurances that I have been able to give to my right hon. Friend the Member for Birkenhead and my hon. Friend the Member for Edmonton, I hope that my right hon. Friend will seek leave to withdraw his new clause. The Government are mindful of the points that they have made, and these are live issues that will continue to be discussed.

Mr. Frank Field: At the outset of the debate, I was hoping that someone would help me to divide the House on this question, and for a moment, I thought that the hon. Member for Chichester was going to do so. However, his early resolution was followed by a retreat from that position. I thought that he had perhaps been teasing me, until he caught me behind your Chair, Mr. Deputy Speaker, and suggested that, given the agreement about what the next moves ought to be, the sensible course of action would be to withdraw the new clause and for us all to meet and to see whether we can pursue these objectives quickly enough to have a proposal ready for debate in another place. Given the constructive discussion that I had behind your Chair, Mr. Deputy Speaker, I beg to ask leave to withdraw the new clause.

Clause, by leave, withdrawn.

New Clause 10

FINANCIAL SERVICES AUTHORITY REGULATION OF NORTHERN IRELAND CREDIT UNIONS

'(1) The Financial Services and Markets Act 2000 (Exemption) (Amendment) order 2001 is amended as follows.

(2) Omit Articles 3 and 4.'—*(Mark Durkan.)*

Brought up, and read the First time.

Mark Durkan (Foyle) (SDLP): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss amendment 2, in clause 38, page 50, line 43, at end insert—

'(2A) Section [Financial Services Authority regulation of Northern Ireland credit unions] shall come into force at the end of the period of six months beginning with the day on which this Act is passed.'.

Mark Durkan: New clause 10 would extend FSA regulation to credit unions in Northern Ireland. The Bill is a convenient and appropriate legislative vehicle to fulfil a growing demand being made on behalf of the credit unions in Northern Ireland and their many members. That demand has been proposed by the Irish League of Credit Unions, the Ulster Federation of Credit Unions and others. This matter has also been the subject of an extensive inquiry by the Committee for Enterprise, Trade and Investment in the Northern Ireland Assembly, which I chaired at the time of the inquiry. The Committee's report, which was unanimously adopted by the Assembly, called for the extension of FSA regulation to credit unions in Northern Ireland.

7.15 pm

I want to stress that that demand exists not because people have detected problems with the way in which our credit unions are treating their customers, or because there are concerns about their soundness; rather, it is because of the recognition that, although they are strong in terms of their numbers and their savings base, the range of services that they can offer is highly limited compared with their counterparts in Great Britain.

Credit unions in Northern Ireland can offer their members only three services: share accounts, loans and life assurance. Credit unions in Great Britain can offer not only those services but current accounts, internet and phone banking, standing orders for payments such as wages, mortgages, debit cards, direct debits, bill payments, junior savings accounts and child trust funds, as well as home, travel, health and car insurance. All those services are available from credit unions in Great Britain, but not from those in Northern Ireland, even though they are much bigger and stronger.

Credit unions in Northern Ireland have about 400,000 members. The Consumer Council for Northern Ireland estimates that 26 per cent. of the population there belong to a credit union, of which there are 170 in Northern Ireland. In November, the Assembly heard that there were £775 million-worth of savings in the credit unions, and that the loans from credit unions to members totalled £516 million.

The credit unions therefore play a significant role in our community. To enable them to play a bigger and better role in the lives of their members, and to make a

much bigger contribution to financial inclusion in Northern Ireland, however, they need to be able to offer a wider range of services. The passport to that is FSA regulation. That is essentially what was established in the inquiry undertaken by the Committee for Enterprise, Trade and Investment. I want to assure the House that that inquiry was extensive. It did not happen quickly; it took evidence on a number of different tiers and it established a strong consensus. That consensus was adopted not only by the Assembly but by the Northern Ireland Executive and by the relevant Department—the Department of Enterprise, Trade and Investment.

Mr. Hoban: The hon. Gentleman makes a very good case for Northern Ireland's credit unions being brought within the remit of the FSA for the purpose of regulation. What assessment did the Committee that he chaired make of the cost of extending the FSA's regulatory remit to those credit unions?

Mark Durkan: We looked at that on two counts. The Committee took evidence from the FSA and the Association of British Credit Unions on their experience in Britain, as well as from credit unions in Northern Ireland. We found that the FSA was more than happy and ready to move to regulating the credit unions in Northern Ireland. The ABCU said that the two different tiers of regulation that the FSA offered to credit unions in Great Britain were regarded as proportionate and comfortable, in terms of the rate of intervention and of the costs levied. The credit unions in Northern Ireland were certainly encouraged by that, and the Committee was encouraged by the evidence that we heard.

Of course, if we moved to having the FSA regulate credit unions in Northern Ireland, the credit union movement there would hope that that would involve a reasonable regional accent, profile or presence. The credit unions have enjoyed a good and close working relationship with the Department of Enterprise, Trade and Investment over the years and they want to build on that.

New clause 10 would, in essence, remove the exemption in the Financial Services and Markets Act 2000 that means that the FSA's regulatory writ does not apply to credit unions in Northern Ireland and thereby provide the means in primary legislation to allow for FSA regulation. We recognise that the precise issues involved will take further negotiation and liaison, including with the currently devolved Department, for a number of reasons. The first is that the best way of moving forward would probably be for the registration of credit unions to remain as a function of the devolved Department—the credit unions want that, because they wish to retain that sort of relationship with the devolved Administration—but for regulation to fall clearly under the responsibility of the FSA. Obviously, there would need to be a proper memorandum of understanding as to exactly how that interface might work, in order to ensure a smooth junction.

The second reason is that issues will arise in relation to all the relevant secondary legislation that applies to credit union regulation. We will need to ensure that that is suitably updated and translated to take account of the legal requirements of Northern Ireland too. Thus, along with new clause 10, I have tabled amendment 2, which provides for the commencement of these provisions six months after the Bill is passed and becomes an Act. Before the Minister makes this argument, may I say that I accept that six months might be a bit of a tight time scale for addressing some of those issues? However, I accept that the argument might be made for a wee bit more of a hard shoulder to drive on only in respect of amendment 2. On the substantive issue of amending primary legislation to allow for credit unions in Northern Ireland to be regulated by the FSA, I ask the House to adopt new clause 10 now. Credit unions in Northern Ireland have been seeking this change for some time.

The Economic Secretary is a former Northern Ireland Office Minister, and I wish to pay tribute to him for the work that he did then. He succeeded me as a Minister in a couple of the very many briefs that he was juggling at that time in Northern Ireland and on some of them he was wise enough to follow my advice—on others he disappointed me, but he did so for reasons that he articulated very well at the time. He may recall that at that time credit unions were starting to lobby on this matter and that we had a meeting with his then colleague, who is now the Minister with responsibility for the third sector—that shows how long this has been going on. The matter subsequently became, in this phase of devolution, the subject of an Assembly hearing, in which there was unanimity. Of course, the papers that the Treasury produced on the future of financial services regulation last July included one on the legislative framework for credit unions and industrial and provident societies in Northern Ireland, in which it fully endorsed what the Assembly's Committee and the Assembly as a whole had recommended.

It would, thus, be strange indeed if we were to have to go back to tell the credit union members in Northern Ireland that although everybody—all the political parties in Northern Ireland, the Assembly, the Minister, the Executive and the Treasury—agrees that the measure is needed, the House of Commons still cannot use this obvious legislative vehicle to remedy the gap. Members of the House may be aware that the Treasury Committee visited Northern Ireland recently to examine the problems of the Presbyterian Mutual Society. Obviously, those are very different from the issues that credit union members want addressed, but this matter did arise in the context of those hearings, because the Committee heard about the twilight zone that has existed in respect of where the FSA does and does not regulate, and who knows what and who shows what in relation to those activities.

The problem was identified as an outstanding gap that needed to be addressed by the credit unions in Northern Ireland being enabled to offer a wider range of services and for them to come under FSA regulation to facilitate that. That approach was identified by the Treasury Committee not only when it visited Belfast last week, but a number of years ago; the approach was identified when the Committee produced its financial inclusion report. The role and potential of credit unions in Northern Ireland was recognised at that stage and attention was drawn to the need to enable credit unions to offer a much wider range of services. It would be perverse if credit unions in Great Britain, which have a much smaller membership base and a much smaller savings base, are facilitated to provide a much wider range of services to their members than the credit unions in Northern Ireland. The Irish League of Credit Unions is part of an all-Ireland league, and the members in Northern Ireland are jealous of not only credit unions in Great Britain, which can provide a much

wider range of services, but their counterparts in the south, which can provide even more services again, including on pensions, wills and community investment.

New clause 10 is tabled not only in my name or those of my party colleagues, but in those of the hon. Member for North Down (Lady Hermon), of the Ulster Unionist party, and of the hon. Members for East Antrim (Sammy Wilson), for Belfast, North (Mr. Dodds) and for Upper Bann (David Simpson), of the Democratic Unionist party. I can assure the House that it is supported by all the other parties in the Northern Ireland Assembly too. On an evening when there is a lot of uncertainty about the future of our devolved institutions in Northern Ireland, when all sorts of brinkmanship is going on and when many lectures will be given about what is in the true public interest and how we must be responsible and reasonable and use political processes to look after people's democratic interests and to focus on the real social and economic agenda, it would be good if this House gave a very positive signal to all the parties in Northern Ireland by supporting new clause 10.

Mr. Hoban: I followed the arguments made by the hon. Member for Foyle (Mark Durkan) closely and I liked his metaphor about the twilight zone, because the Minister and I have discussed the Presbyterian Mutual Society and just where it sits in the regulatory framework. If the hon. Member for Foyle is arguing that the same twilight zone applies to credit unions, he has an important case to make about rationalising the regulation of credit unions and putting credit unions in Northern Ireland on a common footing with those in Britain. The fact that he has been able to demonstrate cross-party support for his initiative, not just by the signatories to his new clause, but by the unanimous report from the Assembly, indicates to me that there is a consensus.

The Minister may have some more thoughts about the timetable point that the hon. Gentleman raised, but my concern relates to the separation between the registration of credit unions by DETI and the ongoing supervision and regulation by the FSA. The Minister will be more familiar with this because of his previous role, but the hon. Member for Foyle ought to bear in mind that in other circumstances the FSA acts as both the body that authorises an individual's registration of a regulated firm and ensures that they meet all the tests on being an authorised person, and the body that conducts the ongoing regulation and supervision of that institution. I am not sure how the divide that he suggested between DETI and the FSA would work in practice, although that is probably my only reservation.

Mark Durkan *rose—*

Mr. Hoban: It appears that the hon. Gentleman may just clarify that matter for me.

Mark Durkan: Even as it stands at the minute, with the registration and regulatory functions attached to the FSA in Great Britain, they are technically two different functions carried out by separate people, albeit within one organisation. They are separate functions and the one thing that the credit unions in Northern Ireland would like is continuity in the devolved relationship. That is why people like the idea of the registration function—but only the registration function—remaining with the Department and all the regulation going to the FSA.

7.30 pm

Mr. Hoban: Let me give the hon. Gentleman an example that we debated in Committee and will touch on later. If the regulator believes that the activities carried out by a credit union are inappropriate or in serious breach of the rules, who will withdraw the permission from the credit union? Will it be the FSA, as would be the case if it was registered with and regulated by the FSA, or will it be the Department in Northern Ireland? We need to tease out some issues if we are to make this change, and I am not sure that I understand how it would work in practice, notwithstanding the widespread support in the Assembly and among all political parties for the hon. Gentleman's proposals.

Mr. Love: I had a credit union in my constituency, which got into trouble some years ago and, sadly, went into liquidation about a year ago. During the time of its difficulties, my constituents could refer to the ombudsman to take up any concerns that they had and when the credit union went into liquidation, there was a compensation scheme. Indeed, I was a small shareholder in that credit union and received prompt compensation. It is those features of regulation by the Financial Services Authority that it is critical for us to extend to members in Northern Ireland.

As was mentioned earlier, the Treasury Committee, of which I am a member, visited Northern Ireland a week ago today. We were there primarily to look at the Presbyterian Mutual Society, but we touched on regulatory and other issues related to credit unions. The debate so far has summed up some of the ambiguities between registration and regulation. That is a feature in Northern Ireland where the local Department, DETI, is responsible for registration. In our discussions in Northern Ireland, people were at pains to point out that the law does not state as clearly as I suspect everyone would like the connection between registration and regulation. We were there to address those issues and our report will come out in the next few weeks.

On credit unions, it is important that we recognise the wider issues involved. Of course, we have to solve the problem of registration and regulation. It has been answered in the context of Great Britain because it comes within the ambit, overall, of the FSA to carry out both functions. As someone who takes an interest in this, I have to say that the FSA has been effective at regulating the diverse credit union movement in England and Wales and has, indeed, been able to ensure that depositors are protected and that the problems that have arisen are taken up. Indeed, it has sponsored bringing credit unions together when that is a more acceptable solution to the difficulties that they might otherwise get into. There are major advantages to extending such regulation of credit unions to the Northern Ireland membership.

It is particularly important, too, to remember that although credit union membership in Great Britain is very low—less than 1 per cent.—in Northern Ireland it is very significant indeed. There is a much longer history of credit union involvement in Northern Ireland and the number of members is significantly greater, yet they do not have as many protections as members in Great Britain. That needs to be remedied.

As has been mentioned, the extension of the services that credit unions can provide into some of the more basic financial services—credit cards and various other

[Mr. Love]

things that have been mentioned—is critical if credit unions are to provide a 21st-century service and are to be allowed to compete with other financial service organisations. I think that I can be confident that, if that were to happen in Northern Ireland, they would be able to compete in a way that the credit union movement in Britain is not, as yet, ready to complete.

For all those reasons—to ensure that the credit unions have those protections, that we clear up this confusion, that everybody is certain that regulation is extended to credit unions, and that we extend the services that they provide so that they can build on their membership and on providing a proper service to many disadvantaged communities across Northern Ireland—I commend the new clause to the House.

Ian Pearson: May I say, first of all, that it was a privilege to serve as a Minister in the Northern Ireland Office for some two and a half years? I thoroughly enjoyed the role, and I would like people to think that I performed it in an effective and diligent manner. I am sorry if I did not always agree with my hon. Friend the Member for Foyle (Mark Durkan), but I made the best decisions, as I saw them, for the people of Northern Ireland.

My hon. Friend is right to point out the importance of the credit union movement in Northern Ireland. As he is aware, at the time of the Financial Services and Markets Act 2000, Northern Ireland credit unions opted out of the arrangements. That is why they have been exempt since 2001. I want to try to be as sympathetic and helpful to my hon. Friend as I can, but I think I need to make a few points to outline some of the difficulties with his new clause.

The new clause is intended to revoke the exemption from FSA regulation that credit unions in Northern Ireland currently enjoy. On a purely technical level, the new clause would not work as intended since it revokes provisions that amended the original FSMA exemption order rather than revoking the exemption itself.

Let me say two more things. First, the transfer of regulatory functions of Northern Ireland credit unions to the FSA is considerably more complex than the removal of paragraph 24A of the schedule to the exemption order. There would have to be changes to Northern Ireland legislation, and because the rules on Northern Ireland credit unions are different to those that govern Great Britain credit unions, there would have to be some significant changes to the FSA's handbook, too.

As my hon. Friend the Member for Foyle mentioned, issues surrounding the interaction between the registration regime, which he still wants DETI to perform, and regulation, which would be the responsibility of the FSA, would also need to be considered and resolved. He mentioned the work of the Assembly Committee and I would certainly like to pay tribute to him in his role as Chairman of that committee. It has produced a very good report. However, I am advised that the relevant Northern Ireland Department, DETI, sees no need for the proposed amendment or new clause because it intends to consult on changes to Northern Ireland credit union legislation later this year—very shortly, I understand. The policy objective of permitting Northern Ireland credit unions to offer additional services to match those available from credit unions in Great Britain will also require amendment to several pieces of legislation in Great Britain.

I want to be sympathetic, and I appreciate the argument that says, "If you've got a bus coming along, why not jump on it? You don't know when the next one will be." However, my concern is that doing what the new clause proposes would be difficult. There has not been a statutory public consultation in Northern Ireland, even though it was always made very clear to me in my time there that such a consultation should be carried out for every significant issue. It is one thing to have an Assembly Committee—the equivalent of a Select Committee in the UK—with a consensual view on matters, but it is another thing entirely to hold a statutory public consultation before legislation is introduced.

However, if the Government were to receive from the Northern Ireland Executive a request to move forward that was fully backed by the Assembly—and if the FSA agreed that that would be appropriate, and if the Northern Ireland Executive and Assembly tabled any legislative consent motion that might be required—we would want to look at it.

There are a great many legislative intricacies when it comes to allowing the FSA to handle the proposed changes in Northern Ireland as well as in Great Britain. Despite the common agreement on the matter, my suspicion is that too much work probably remains to be done sorting out the nuts and bolts of those intricacies for the proposal to be included in this Bill, although something might be ready in time for a future Finance Bill.

As I said, I will try to be as helpful as I can. I recognise that the credit union movement in Northern Ireland strongly wants to be regulated by the FSA, and I am sure that any public consultation in Northern Ireland would demonstrate that. If there is a way to do what the new clause proposes more speedily in this Bill, we will look at it. However, I suspect that the difficulties involved mean that the process might take a little longer than my hon. Friend the Member for Foyle would like.

Mark Durkan: The Minister has said that he wants to be sympathetic and helpful, and of course that is a euphemism for "No," or "Not now." However, I want to pick up on a couple of the points that he made. He said that the Northern Ireland Executive would have to indicate its approval before any proposal could be implemented, yet the hon. Member for East Antrim (Sammy Wilson), whose name appears on the new clause, is Northern Ireland's Minister of Finance and Personnel. When he was agreeing with me and saying he wanted to support the new clause, he told me so in the company of the Minister of Enterprise, Trade and Investment, who is in the responsible Department, so there seems to be support and will at that level.

I am sure that the Minister is right to suggest that people in that Department are very conscious that putting in place the detailed arrangements—for setting out the precise interface between registration and regulation, and for ensuring that the relevant secondary legislation and other instruments are appropriate and fully in line with the legal requirements in Northern Ireland—may take some time. However, I stress that there is a compelling consensus on the need to establish, as both a principle and a fact, that the position in respect of primary

legislation has changed. That would at least give some force and pace to the need to resolve and clarify these other issues.

People have waited for this for a long time. Everyone has said they agree that the change should happen, but an element of urgency should have been added after all that we learned from the financial crisis and the other questions that arose in respect of deposit guarantee protection and so on. Yet still it appears that the proposal will get a long finger, and that we will be told to look for some other legislation that would be appropriate.

It would help if the Minister could give us a wee bit more of an indication that a signal from the Executive and the Assembly would be well received. For instance, the Assembly Committee last week again endorsed this new clause, and made a point of saying so specifically. It engaged the Department on that basis, and it has encouraged us to pursue the new clause in this debate, so there would be no question of delay in any legislative consent motion.

If we got the necessary motions through the Assembly, I hope that the Minister would be able to tell us that we were on a real mission and that we would not have to wait for a further Bill. If that were to happen, I would certainly work with colleagues, and with him, to try to take forward an issue that is a huge frustration for the many members of credit unions.

7.45 pm

Ian Pearson: As I said, I want to be as helpful as I can. If the Government were to receive a formal notification from the Northern Ireland Executive, clearly backed by the Assembly, to the effect that it did not feel there was a need to consult, and if agreement could be reached with the FSA on the level of detail needed to enable the change to be made with confidence that the other elements could be accommodated, by all means let us have a look at it. We do not have a lot of time left, but if my hon. Friend the Member for Foyle can get those messages from the Northern Ireland Executive and Assembly back to us as a Government, we will of course try and look at them and do what we can.

Mark Durkan: I thank the Minister for that indication, which I take to be a bit more positive than what he said previously. We will try to get our skates on at our end if the Minister can continue to be accommodating and encouraging at his.

I want to make it clear that this problem is not of anybody's intentional making. It was created by people who wanted to be helpful. Mo Mowlam deliberately used the Northern Ireland Act 1988 to include the Credit Unions (Northern Ireland) Order 1985 in the scope of devolution. The order was quite restrictive in its own right, but that was what was devolved, not credit unions.

The Minister said that Northern Ireland credit unions asked to be exempted from the Financial Services and Markets Act 2000. Essentially, a sensitivity was created to the effect that it would have been encroaching on the territory of devolution for the regulatory function to reside with the FSA. People now have a different understanding of these issues, but the most important thing is that they want to know that there is a sense of urgency about this matter among all of us in government—whether that be here in this House, or in the Executive or the Assembly.

I take the Minister's remarks as a very good cue for us to move fast on this matter. We need to be firm and secure an outcome that has been long awaited, but there is more work to do and I want the matter to be taken forward later in the Bill. Accordingly, I beg to ask leave to withdraw the clause.

Clause, by leave, withdrawn.

New Clause 11

BANK OF ENGLAND TO HAVE REGARD TO CFS IN DELIVERING FINANCIAL STABILITY

'(1) The Bank of England Act 1998 is amended as follows.

(2) In section 2A(2), after "Treasury", insert "the Council for Financial Stability".'.—*(Mr. Hoban.)*

Brought up, and read the First time.

Mr. Hoban: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: new clause 12—*Power of the Bank of England to require information*

'(1) The Banking Act 2009 is amended as follows.

(2) In section 238, at end insert—

"(238A) (1) The Bank of England may by notice in writing require a person to provide information—

(a) which the Bank thinks will help it pursue its financial stability objective set out in section 238 above, or

(b) which the Bank requires in relation to recovery and resolution plans, as set out in section 139 of Financial Services and Markets Act 2000.

(2) In particular, a notice may require a person to notify the Bank if events of a specified kind occur.

(3) A notice may require information to be provided—

(a) in a specified form or manner;

(b) at a specified time;

(c) in respect of a specified period.

(4) The Bank may disclose information obtained by virtue of this section to—

(a) The Treasury;

(b) The FSA;

(c) An authority in a country or territory outside the United Kingdom which exercises functions similar to those of the Treasury, the Bank of England or the FSA in relation to financial stability.

(5) Subsection (4)—

(a) overrides a contractual or other requirement to keep information in confidence, and

(b) is without prejudice to any other power to disclose information.

(6) The Treasury may by regulations permit the disclosure of information obtained by virtue of this section to a specified person.

(7) The Bank may publish information obtained by virtue of this section.

(8) The Treasury may make regulations about the manner and extent of publication under subsection (7).

(9) Regulations under this section—

(a) shall be made by statutory instrument, and

(b) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(10) It is an offence—

(a) to fail without reasonable excuse to comply with a requirement under this section;

[Mr. Deputy Speaker]

(b) knowingly or recklessly to give false information in pursuance of this section.

(11) A person guilty of an offence is liable—

(a) on summary conviction, to a fine not exceeding the statutory maximum, or

(b) on conviction on indictment, to a fine.".'.

Amendment 3, page 1, line 3, leave out clause 1.

Amendment 6, in clause 3, page 3, line 16, at end insert—

'(4) Where a matter has been omitted from either the annual report or the minutes published under section 2(4), where the action involves financial assistance as defined in section 257 of the Banking Act 2009, a report should be laid before Parliament when the conditions under (3) above no longer apply.'.

Amendment 5, in clause 5, page 4, line 9, at end insert—

'(d) proceedings of the Council for Financial Stability as set out in section 2.'.

Amendment 4, page 4, line 10, after 'Treasury', insert—

'and the Bank of England'.

Amendment 8, in clause 8, page 6, line 17, at end insert—

'(3A) (a) In discharging the duty under subsection (1) the Authority must produce an annual report setting out progress made, and the report should include information about, among other things—

(i) compliance in the UK with the principles set out in (3)(a) above;

(ii) comparable progress made in other countries; and

(iii) the impact of any significant divergence between the information set out in 3A(a)(i) and 3A(a)(ii) above.

(b) The Authority must lay a copy of the report before Parliament.'.

Mr. Hoban: This group of new clauses and amendments deals with the provisions set out in the first four clauses for the new council for financial stability.

The Minister and I went round this loop a few times and at some length in Committee. I will not repeat the length, but I may repeat some of the arguments. The Bill puts on a statutory footing the standing committee of the tripartite authorities that sought to bring together the Bank of England, the FSA and the Treasury in a single body. Its remit was to be

"the principal forum for agreeing policy and, where appropriate, coordinating or agreeing action between the three authorities. It is also an important channel for exchanging information on threats to UK financial stability."

The body put in place as a consequence of the reforms the Government announced in 1997 has been subject to a lot of scrutiny over the past few years. Its operations were the subject of much work by the Treasury Committee, which said in its report:

"We cannot accept... that the Tripartite system worked 'well' in this crisis."

There is widespread agreement that the tripartite authorities did not work well together in the run-up to the crisis, and some fundamental reform is needed.

There are two approaches one could adopt. The first is to say that the system needs to be swept away and there needs to be wholesale reform of financial regulation, and that the structural failures—between the Bank and the FSA, for example—are such that the Bank needs to take on additional responsibility as a macro-micro potential regulator. We need to reform what is left of the Financial Services Authority. That is the view we take on the Conservative Benches, but the Government take another view. Their belief is that the structure still works and all we need to do is to put the committee on a statutory basis. That is the thrust of the first four clauses.

During the evidence sessions, the Minister said that

"we could have done better."—[*Official Report, Financial Services Public Bill Committee*, 8 December 2009; c. 10, Q16.]

That is a mild understatement, typical of the Minister. In Committee, he made a much more vigorous defence of the merits of the standing committee and why it should be put on a statutory basis, instead of introducing the wholesale reform we proposed. His argument was that the committee worked well during the crisis. He cited four instances and said that no retail depositor had lost money. When it became apparent that the authorities did not have all the appropriate tools to resolve bank failure, the Government had passed new legislation—the Banking (Special Provisions) Act 2008, which the Minister and I dealt with in Committee.

If the tripartite authorities had worked well before the crisis, those arrangements would have been in place, because it is clear from the war games between the Bank and the FSA, when they looked at what would happen in a crisis, that one of the missing tools was the appropriate resolution tool. The fact that the authorities felt the need to put in those tools after the crisis arose was not necessarily a sign of the success of the tripartite arrangements but rather recognition of their failure.

The Minister said that the Government had used the powers to rescue failing banks and that the world's financial system stabilised as a consequence. However, although we can see what the outcomes of the tripartite committee have been, not much light has been cast on its inner workings since the crisis started.

Some of the committee's failings are quite deep-seated. In Committee, my hon. Friend the Member for Chichester (Mr. Tyrie) asked the Minister how many times the committee had met before the crisis. The Minister tried to duck the issue; indeed, he succeeded, but we know the answer. The committee met only once and that was via a telephone call at the request of Hank Paulson, the then US Treasury Secretary.

It is beyond belief that the body meant to co-ordinate risk and response did not actually get together. I do not understand why it did not, but the Bill rectifies that situation. It requires that the committee meet quarterly, but just in case the principals do not want to get together they can of course send their deputies instead. There is no guarantee that the committee will function properly if it is put on a statutory basis. It is a very Labour approach—"Something needs to be done, so let's pass a law." There is a real challenge here.

Given that the committee was the forum for discussing financial issues, and given the warnings published during the run-up to the financial crisis, we would have thought it had plenty to talk about. The Bank of England's financial stability report for 2004 said:

"The questions are whether risk is being priced properly, and to what extent the search for yield is leading to excessive leverage"—

a prescient warning of some of the problems emerging in the financial market, which would eventually lead to the crash, yet the committee did not meet to talk about

those questions. I do not know what discussions there have been between the three parties, but clearly none of them got together in a room to talk about things. In the run-up to the crisis, the committee failed to look properly at the risks.

The financial crisis demonstrated the problem of who was in charge. Who in the tripartite committee ensured that things were dealt with and that the authorities co-ordinated their work properly? We know that the authorities failed to co-ordinate over the emergency funding needed to provide a private sector purchaser for Northern Rock. Even when the committee was being established and the arrangements were being put in place, questions were being asked about what would happen in a crisis. In 1999, when the Financial Services and Markets Bill was wending its way through the House, my hon. Friend the Member for Chichester asked:

"If a single bank crisis develops into a systemic crisis, who is responsible then?"—[*Official Report, Standing Committee A*, 13 July 1999; c. 174.]

When the Treasury Committee asked the Governor of the Bank of England who was in charge, he came back with a question that may have been in part rhetorical:

"What do you mean by 'in charge'?"

That demonstrates some of the fundamental failures of the committee.

We have a standing committee tainted by its failure to prevent or anticipate the crisis, and tainted by its failure to co-ordinate before or during the first stage of the crisis. In Committee, the Minister said:

"I do not pretend that there was not room for improvement—indeed, lessons have been learned."—[*Official Report, Financial Services Public Bill Committee*, 5 January 2010; c. 226.]

That sounds encouraging, but if there are lessons to be learned we would expect far-reaching reforms to financial regulation. We would expect the committee to be restructured, to be more dynamic and forward-looking in its work and to be much more decisive and clear about who is in charge.

We are not much further forward as a consequence of that process. The old memorandum of understanding for the standing committee said:

"It is the principal forum for agreeing policy and, where appropriate, coordinating or agreeing action between the three authorities. It is also an important channel for exchanging information on threats to UK financial stability."

The Bill says:

"The Council must…keep under review matters affecting the stability of the UK financial system, and…co-ordinate any action taken…for the purpose of protecting or enhancing the stability of that system."

All we seem to have done is to reshuffle the words, but the remit is exactly the same. That does not fool anybody. The Treasury Committee described the changes as "largely cosmetic". In a way, the Minister nodded to that argument when he said:

"What we are doing through the Council for Financial Stability is formalising arrangements that have already been in existence."—[*Official Report, Financial Services Public Bill Committee*, 8 December 2009; c. 5, Q4.]

I am not entirely sure whether that was the warm endorsement of a new structure that we were looking for to give us confidence. We know that earlier this month the council has already met without legislative support. It has broadly the same remit, with a re-jigging of the wording. However perhaps it will be more decisive. Perhaps it will demonstrate the leadership we are looking for. The Treasury Committee report "Run on the Rock" said:

"The Tripartite authorities did not seem to have a clear leadership structure. We recommend that the creation of such an authoritative structure, must be part of the reforms for handling future financial crisis."

John Howell: Given that the establishment of the council means that the tripartite relationship will be put on a statutory basis, is my hon. Friend any clearer—he might recall that I have raised this question before—about how many people are in the relationship? Is it now three or four?

8 pm

Mr. Hoban: I will come on to the number of people in a second because I am not sure that those in the relationship know quite how fully engaged in it they are.

My hon. Friend the Member for Chichester will remember the Public Bill Committee evidence session in which he asked probing questions of Andrew Whittaker, the general counsel for the Financial Services Authority, and John Footman, who gave evidence on behalf of the Bank of England. It was clear that there was a disagreement about responsibility. The Minister had suggested that this was some sort of endeavour in which everyone shared full responsibility for the body, but Mr. Whittaker suggested that the FSA had a secondary role to play in delivering financial stability, which was not quite the same thing that the Minister said. John Footman of the Bank of England suggested that the prime responsibility rested with the Chancellor because he was accountable to Parliament.

We have a confused situation, in that the Government suggest that this is a shared enterprise in which everyone has responsibility, but once we get below the surface and probe the three parties of the new body, we find that the only person who seems to believe in the principle of equality of responsibility is the Minister, and the Bank of England and the FSA believe that they have a different role. That is disappointing, because we would have hoped that one outcome of this process, given the previous lack of leadership, would be clear lines of responsibility. We have tried to get more clarity from the Government at various times throughout the passage of the Bill about who will be responsible for what. We now have a further opportunity to add clarity to the Bill, but if the Minister feels unable to agree with our proposals, he could accept amendment 3, which would strike out clause 1 and send the clear signal that we do not think that this structure will be fit for purpose.

Mr. Tyrie: Perhaps it is worth illustrating the confusion about the new structure, never mind the old one. When John Footman was asked whether anyone in particular had a lead role, he replied that the Bill

"is an attempt to answer that question".

When Andrew Whittaker heard that, he said:

"They treat each other as equals",

which I would have thought would make it difficult for anyone to have a lead role.

Mr. Footman said:

"it is an attempt to bring together bodies whose powers are different, but which interact with one another."

[Mr. Tyrie]

When I asked,

"Do you think it is possible for somebody in a secondary role and somebody in the same committee in a lead role to have equal roles?",

John Footman replied:

"I am confused about roles." —[*Official Report, Financial Services Public Bill Committee*, 8 December 2009; c. 38, Q95 and Q97-99.]

Mr. Hoban: My hon. Friend does the House a service by reminding us of those exchanges during our evidence session because we saw the creation of a sense of confusion. The problem was exacerbated by the fact that the Minister had been robust about shared responsibility during our morning sitting, but it had all rather fallen apart by the afternoon.

Let me add to the quotes that my hon. Friend has cited. Andrew Whittaker said:

"We, for our part, recognise that our role in relation to financial stability is, in some senses, a secondary one to the other authorities. If there were to be a disagreement as to what would be needed for financial stability, it is inconceivable that we would wish to second-guess the views of the other authorities in that respect."

When I asked Mr. Footman,

"Do you think that there is someone who is first among equals in the three-way committee?",

he said:

"The obvious answer is that only one person in that committee is directly accountable to Parliament, and that is the Chancellor."—[*Official Report, Financial Services Public Bill Committee*, 8 December 2009; c. 28-29, Q58 and Q62.]

There is confusion about the roles, and I do not think that the Minister allayed it when we probed the matter in Committee.

John Howell: I thank my hon. Friend for giving way again—he is being very generous.

All those quotes are absolutely relevant, but surely the most damning quote of all is that from Adrian Coles of the Building Societies Association, who said that the proposal was a "modest measure" and that

"Of itself it is not going to prevent the next bubble, it is not going to prevent the next banking crisis"—[*Official Report, Financial Services Public Bill Committee*, 10 December 2009; c. 71, Q183.]

That really says it all.

Mr. Hoban: The quotes that my hon. Friends and I have cited—there is a feast of quotes—demonstrate the fundamental failure of the architecture that the Government are putting in place through the Bill. Two of the three authorities that form the tripartite body demonstrate a lack of confidence in the arrangements, and the evidence from Mr. Coles shows that even those who are regulated by a part of the structure—the FSA in his case—lack confidence that the outcome will be any better than that under the standing committee. We need to address that problem, and new clauses 11 and 12 are an attempt to do that by drawing together the parties to the arrangement more closely.

In new clause 11 we reflect on the fact that the Banking Act 2009 gave the Bank of England responsibility for financial stability, although the Governor argues that it was given responsibility without powers, which is addressed by new clause 12. It is clear that when the Bank of England undertakes its role of maintaining and enhancing financial stability, it should have some regard to the council for financial stability when devising its strategy, and that is what new clause 11 would achieve.

Mr. Footman responded in the Public Bill Committee's evidence session to the Governor of the Bank of England's evidence to the Treasury Committee in which concern was expressed about the lack of powers to implement financial stability objectives. When I asked Mr. Footman what additional powers he thought the Bank needed, he identified the need for the Bank to have the power to collect information, saying:

"Our slight discomfort with the Bill is because the process of collecting all the information is entirely with the FSA. With the best will in the world, operating through someone else to get something that you need is less efficient than trying to do it directly. For that reason, at various points we have asked for the Bank to have a direct power to get information from the financial institutions, consistent with the statutory powers that it has."

He continued:

"On the special resolution authority role, we do not have an information power, and we would like to have one directly."—[*Official Report, Financial Services Public Bill Committee*, 8 December 2009; c. 48, Q138.]

Under the Bill, the Bank is entitled to receive resolution plans as part of the living will procedures, but it will not have the power to request information from relevant institutions with regard to recovery and resolution plans. That is why new clause 12 would give the Bank of England, through amendment to the Banking Act 2009, new powers to request information, either in pursuit of its financial stability objective, or in relation to recovery and resolution plans. It would ensure that that linkage was there.

I have already discussed amendment 3, which would delete clause 1. It signals our unhappiness with the arrangements that the Government have put in place.

The Bill also sets out how we will be able to hold accountable the council for financial stability. One way to do that is publish the annual report, as set out in clause 3. There is a carve-out for commercially sensitive information—I understand the reason for that—and subsection (3) states:

"The copy of the annual report laid before Parliament may omit... anything in the report relating to any action to be taken by any of the relevant authorities the purpose of which may be impeded or frustrated by being included in the report laid before Parliament".

We recognise the risk that would emerge if sensitive information were disclosed to Parliament. That may undermine confidence in financial markets—we accept that—but my amendment 6 would ensure that, once the need for confidentiality had passed, that information was laid before Parliament.

The proposal was prompted by the disclosure last November of the fact that emergency loans totalling £61.6 billion had been made to RBS and HBOS the preceding autumn, although that was not made known through the usual mechanism of informing the Chairmen of the Treasury and the Public Accounts Committees. It emerged as a consequence of evidence given by the Governor of the Bank of England to the Treasury Committee and the notes to the prospectus issued by Lloyds to support its rights issue.

We need to strike a careful balance between confidentiality and ensuring that Parliament and taxpayers know how taxpayers' money has been spent—the Minister

and I have had conversations about that at a number of points—but it is worth reiterating that taxpayers should know what is happening to the money that is being spent when it is appropriate for that to be known.

Clause 5 gives the FSA a new objective—a financial stability objective. During the passage of the 2009 Act, we asked whether the FSA needed a financial stability objective comparable to that in relation to the Bank of England. The answer was, "No, it is already implicit in its responsibilities for market confidence." However, the Government have now decided that we must make explicit what is implicit.

In determining that strategy, the FSA should ensure that it has regard to the work of the council for financial stability. It seems odd to give the FSA the duty to set up the new council on a statutory basis, but for there to be no linkage between the FSA's work on financial stability and the role of the council. That is the basis of my amendment 5.

Again, if we are to persist with the Government's notion that there is equal responsibility among all members of the new council, one would have thought that the FSA—the "Authority" in clause 5—should consult not only the Treasury, but the Bank of England, given that it collects data on the macro economy, analyses some of the risks and publishes the outcome of the review of risks in the financial stability report. One would have thought it sensible to ensure that the FSA consulted the Bank in that respect when determining its financial stability strategy.

8.15 pm

Amendment 8 would require the FSA to produce an annual report when discharging its duty under clause 8, which is entitled "Promotion of international regulation and supervision". The report would set out the range of measures agreed and dealt with at global level, as well as how they were being implemented in the UK, comparing implementation in the UK with that elsewhere in the world. It would also ensure that there was some discussion of the consequences of any divergence from the globally agreed measures and of how the FSA had chosen to implement them.

That will be a growing issue for the financial services sector and for regulators in the future. A number of initiatives are being dealt with at global level now, where implementation is carried out at either European or national level. The part of the Bill that deals with remuneration contains a framework for the FSA to deliver rules that reflect the agreements reached at the G20, but from talking to people in the financial services sector I know about the concern over divergence in how those rules are being interpreted here in the UK and implemented elsewhere in the world. It is helpful to have clarity on how those divergences occur.

However, that is not to say that we should act only where there is international agreement, and given the size of the UK's financial services sector relative to its economy, there may be areas where we want to take unilateral action to implement some of those global agreements in advance of consensus on how they will be implemented.

We seem to be leading the way on living wills and the FSA is doing a lot of work to consider the impact of resolution and recovery plans on a sample of banks. The FSA's work may not only inform its implementation of those plans, but perhaps lead it to go ahead faster than the international consensus. That may be a reasonable thing to do.

We have highlighted other issues concerning how to resolve the tension arising from integrated banks where retail and high-risk activities take place within the same entity. We argued in our White Paper that we have a significant concern about those matters, but that they could be resolved only at global level. The tax on the liabilities in banks that President Obama proposed last week is a measure that could be implemented only on a global level. If it was not, banks would simply opt to go to a low-tax or no-tax jurisdiction, rather than pay a high tax on their liabilities. That is another matter in which global consensus and agreement may be needed before a country would take action.

It is important, particularly given the increasing concerns about the impact of those reforms on competitiveness, to ensure that there is a vehicle for flushing out some of those issues and ensuring that there is proper formal consideration as between what we are doing here in the UK and what is happening elsewhere in the world. My amendment 6 would provide a vehicle for that to happen.

To conclude, in a way we seek to be helpful by tying the arrangements more closely together. We also tried to be helpful in Committee, but the Minister did not seem to be very keen on our proposals.

Fundamentally, a weakness exists that these reforms do not address. That is why we tabled amendment 3, which would simply strike out clause 1. We argue strongly that the Government's reforms are cosmetic, as the Treasury Committee said. They will leave in place the chaos and confusion over who is in charge, as shown by the evidence given in the oral evidence sessions at the start of consideration in Committee. The Government have simply failed to learn from the mistakes made in the run-up to the previous financial crisis. Unless we have significant reform, there will be a risk of those mistakes repeating themselves.

John Howell: My hon. Friend the Member for Fareham (Mr. Hoban) is a generous man to go to such lengths to try to improve clause 1 and indeed subsequent clauses. I have taken a shine to amendment 3—it is time to have done with it altogether and to begin again on a completely different base.

As my hon. Friend rightly pointed out, we had a lengthy debate in Committee about the nature and role of the council for financial stability. For me, it comes down to two central questions. First, is the tripartite system, which is given a statutory footing by clause 1, the right regulatory arrangement for the financial sector? He covered many of those issues to show how and why it failed. At the very least, the Minister will agree that there is doubt about whether that is the right vehicle for the future. Secondly, even if we accepted that the tripartite system was the right mechanism for the future, there is a question as to whether the clause and the creation of the council are an adequate response that takes us any further forward.

Having anticipated that the first question was likely to be covered extensively by other hon. Members, I should like to deal with the second question,. Several speeches ranged over the extent of the changes brought

[John Howell]

about by the Bill, but I still think that one of the most relevant questions was posed by my hon. Friend the Member for Fareham, by others and by many witnesses who gave evidence. Is what is proposed in clause 1 and subsequent clauses a fundamental or a cosmetic change? The Minister tried to argue that it was a fundamental change, but I was not quite convinced that there was much evidence to support that view, or that the measure would make a substantial difference in future. One would hope that the quotation from Adrian Cole of the Building Societies Association that I cited in an intervention would be the clause's epitaph:

> "Of itself it is not going to prevent the next bubble, it is not going to prevent the next banking crisis".—[*Official Report, Financial Services Public Bill Committee*, 10 December; c. 71, Q3.]

Something that we did not do in as much detail as we could have done was treat the problems that the clause is trying to address as lessons learned, because only then can we see whether it measures up to its aspirations. How does it deal with the problems and weaknesses of the tripartite arrangement in the Bill? The hon. Member for Wolverhampton, South-West (Rob Marris), who is sadly not in the Chamber, made an interesting point when he said that if we get the diagnosis wrong, we will get the treatment wrong. There were a lot of medical analogies in Committee: the Minister clearly preferred surgery, whereas I preferred medicine—he obviously likes to chop things up.

The problem is that the diagnosis has been made by others, and the treatment bears little relationship to the disease. If I can continue the medical analogy, the clause proposes a particular line of treatment when we have no idea of the drugs that are going to be issued. It is illogical to define a financial structure before we define the tools that are needed to get it right. The FSA, both in its evidence, and in its additional memorandum, confirmed that there was still much work to be done on defining the toolkit.

I had a stab at grouping the main concerns that arose in the evidence sessions and in our subsequent Committee sittings about the faults of the previous system, and how the clause deals with them. Lack of leadership was something that came up many times, both on its own, and in answer to the question, "If it all goes wrong, who is sacked?" In that respect, there appears to be no change between the old system and the new. There was a major criticism of the fact that there was a need in the old system for stronger powers to be taken to deal with the crisis. Again, there is little change: there are changes in the Bill to the FSA's powers, but there are few changes in the council, and certainly no additional powers.

Another criticism was levelled at the essence of trying to achieve co-ordination by avoiding duplication if that means that the relevant bodies do not interfere enough. I am not sure whether there is any change in the clause—it depends on how well the new arrangements achieve co-ordination which, by its very nature, is a rather woolly subject and it is difficult to find examples. Another criticism of the old system concerned the lack of transparency, which has changed only through the introduction of minutes and some historic reports in the new system—I shall come on to that. Most crucially, there was a need for better flows of information, as my hon. Friend the Member for Fareham said.

I do not think that there is much change from the old system to the new, and there is no more new evidence flowing to the council than flowed to the old tripartite system. I shall deal with the question of leadership, even though it has been addressed by other hon. Members, because we still need to separate two things: the question of who leads the council and who leads the financial regulation system. Those are different things—it is clear from the Bill and the draft terms of reference that the Treasury provides the leadership of the council, but when it comes to leadership of the regulatory system we are back to the description provided by my hon. Friend of shared enterprises with no one in charge, with a gaping regulatory hole on leadership.

I remain sceptical about whether the clause introduces anything new, and believe that amendment 3 is the best axe to take to it, because there are no changes in the powers. The [redacted] take no decisions, as it co-ordinates, but there is not [redacted] in the Bill to give us confidence that it will co-ordinate better than under the old tripartite arrangement. In the evidence sessions, the Minister described that as a significant improvement, but I am not sure that it is, as the only real change is the fact that it now has legal status. The question on which I kept trying to obtain an answer was, "Where is the additionality between the old and the new systems?" If it is just that the tripartite arrangement has been put on a statutory basis, I struggle to understand how that rises above everything else and suddenly sorts out all the problems. As far as I can see, it provides nothing except a statutory basis.

The question of additionality has still not been answered. We still need to ask what tangible thing the formalisation of meeting arrangements, which is what this comes down to, brings to the party. That is why I asked how many people there are in this relationship. Creating a statutory status for the council raises the question what role it plays in relation to the other three bodies, and whether the co-ordinating role gives it a personality beyond that.

8.30 pm

On the issue of stronger powers, there are virtually no powers at all. The Minister said that, through the council, arrangements were being formalised. When I went through the evidence, it seemed that that left three things for the Bill to do—first, to formalise meeting arrangements; secondly, to aim to be more transparent; and thirdly, to aim to achieve a clearer line of accountability to Parliament.

The transparency aspect is almost exclusively covered by the provision relating to minutes. I know that the Minister and I have been through this before, but that is so hedged by contingencies, not just about commerciality, but about the effect on stability—which is so wide that it could incorporate, for example, criticism of the Chancellor or Government policy—that I do not believe that the minutes will say anything. The main activity is in any case being conducted not by the council, but by its deputies. According to the draft terms of reference, the minutes will not be published because they are classified as a working party, which is a convenient way of making sure that we never get to see anything. Will the Minister explain why that is necessary and be more exact about what they will have to do?

Why are the minutes to be so heavily redacted? How will they treat a threat to the stability of the financial system? When all those elements are taken out, what are we left with? The reference to anything that might pose

a threat to stability is so wide that it could include almost anything, so I do not regard those minutes as at all transparent.

According to the House of Commons Library research paper, there is no change in the advice on how the flow of information would be improved and it identifies no significant additions to the Bank's financial stability report or the FSA's financial risk outlook, so is there any new evidence on which the new council will make its assessments? That is crucial. If it is to do something better, it must look at what new evidence it can have in order to overcome the problems that were caused by not reading the evidence or by gaps in the evidence available before.

In Committee, my hon. Friend the Member for Chichester (Mr. Tyrie) pointed out one example of that. Under the old system, the tripartite committee collected no liquidity data. He asked how the formalisation of old arrangements would guarantee collection of the necessary data. I am not sure that we ever got an answer to that.

The Minister gave the game away in Committee. In question 5, at column 6, he said that the real purpose of the new council was to give confidence to people outside who look at these things that the issue was being grasped and looked at with great thoroughness. That seems to indicate that the measure is not much more than a public relations job. Given the role of improving confidence among those outside the council looking in, it takes the biscuit that the Minister does not believe that people will see through the whole thing and notice that the new council is yet another example of the emperor's new clothes.

I return briefly to my first question. Is the tripartite arrangement codified by the clause the right architecture? That has been answered fully in the negative by my hon. Friend the Member for Fareham. In Committee, my hon. Friend the Member for Chichester said that we were not kidding anyone from the outset, and that 10 years ago, when the tripartite arrangements were put in place, he had been among the voices saying that it would not work. That is why, try as I might to the emulate the spirit of generosity shown in his new clauses and amendments by my hon. Friend the Member for Fareham, I still come down to wanting to wield the axe contained in amendment 3.

Mr. William Cash (Stone) (Con): I spoke on Second Reading, and nothing that I have seen makes any alteration to the view that I expressed in relation to the problem that I have raised continuously with the Chancellor of the Exchequer and the Prime Minister about the distinction between national supervision, which is just a figure of speech, and national control.

I do not need to go into this in great detail because it can all be summarised very simply. We are losing national control over our financial services, which makes nonsense of Second Reading, Committee and Report. I am astonished that less attention is given to this than it merits. In the context of parliamentary sovereignty and the necessity for us to determine the manner in which we are governed, which in turn affects the manner in which the Financial Services Authority interacts with the Bank of England, and the completely pointless exercise of the council for financial stability, the whole architecture is overarched not only by the banking supervisory authorities that are being created by a series of legislative changes in the European Union using, I think, the ordinary legislative procedure, but by the fact that we have effectively walked away from our responsibilities. I am absolutely astonished by the fact that we can go through these proceedings, in what is an almost empty House, without at least acknowledging that we are throwing away the ability to run our affairs and putting the City of London in great peril because of the duties that the Bill imposes.

The clause on the council for financial stability says:

"Among other things"

as if it is a kind of option—

"the duty".

Duty means "shall", which in turn means enforceable by a court, subject of course to the European Court of Justice, because these matters are being handed over to the supervisory authorities and everything that flows from de Larosière right the way through to the financial regulations that the European Scrutiny Committee insisted be debated. By the way, I am extremely glad that our Front Benchers actually opposed those regulations, thank God, because at least that gives us some future purchase on our ability to retrieve some of the mess that has been created.

Exactly how all that will work out remains to be seen, but under the clause on financial stability, the duty requires the council to "co-ordinate". That is not the same as co-operate, because "co-ordinate" means a legal obligation to implement the laws, not, in the broad context in which it is normally understood, to co-operate. The council is required to

"co-ordinate any action taken by the relevant authorities to promote international financial regulation and supervision".

Great. Supervision, as I have said, is subsidiary to national control, but the critical words are,

"the duty...to co-ordinate any action...to promote international financial regulation".

Are we seriously mad? I may think that some members of the Government are, without mentioning them by name, but it is absolutely astonishing that we should allow that measure to go through on the pretext that, somehow or other, it will improve the stability of the UK financial system.

It is invidious to go through the Bill for this purpose, but over and over again we find that we are faced with a requirement to accept a subsidiary role in financial regulation. My hon. Friend the Member for Fareham (Mr. Hoban), on the Front Bench, will understand me when I say that he and I have had a few words about that in the past, but I generally agree that we need proper fiscal responsibility, as I said in last week's debates over and over again. This Government are fiscally irresponsible, but the proposed institutional arrangements are to be subjected to the decision-making processes of the European Union and the European Court of Justice, as I said on Second Reading. It is therefore no answer to say, as the Chancellor tried to say to me on the Icelandic banks situation, "Oh well, it gives us some kind of leverage," when, in fact, we are to use the European Union to try to redress the balance if other countries want to do to us things that we do not like. Do we have no self-respect anymore? Do we not believe that we can run our own affairs?

This is not just a cri de coeur; it is about the practical workings of the City of London, which are being put under intense pressure and threat and, indeed, put into

[Mr. William Cash]

abeyance. When the crunch comes and the legislation has made its way through the European Parliament, the milk-and-water, pathetic, third-rate, abject surrender to this process, which has been going on for several months and which I wrote about, if I may presume to say so, Madam Deputy Speaker, in the *Financial Times* way back in February last year—

Madam Deputy Speaker (Sylvia Heal): Order. I think that I would actually prefer it if the hon. Gentleman related his concerns to the new clauses and amendments that we are discussing instead of referring to articles that he has written.

Mr. Cash: Then I merely say, Madam Deputy Speaker, that new clause 11 would insert after the word "Treasury" the words,

"the Council for Financial Stability",

and that that makes my point. The council for financial stability contained in these clauses is part and parcel of a proposal that Conservative Members are putting forward to try to put greater sense into the arrangements proposed in the Bill.

I am deeply concerned about the imposition of international financial regulation and supervision on to the United Kingdom. We will pay a very heavy price for it. As with appeasement in the 1930s, I do not think that people yet appreciate just how significant all this is. When the Bill refers to

"international financial regulation and supervision",

that means

"regulation and supervision by an international body or organisation of the financial systems operating in different countries or territories",

and "relevant authorities" means the Treasury, the FSA and the Bank of England. I am not convinced that putting the council for financial stability into this equation will necessarily be able to override the total loss of the control on which I think the British people would expect us to insist as regards the banking system of the United Kingdom and the central banking associated with it, which has been increasingly divorced from us since the time of the Maastricht treaty.

Having served on the Committees that considered the Bills that became the Banking Act 1986 and the Financial Services Act 1989, and having witnessed the manner and the extent to which we have now completely abdicated our responsibilities, I am not surprised that we are debating this matter. I think that that abdication will come home to roost. We will find that we want to do things, and we will be told that we cannot do them and that if we do, sanctions will be imposed on us—although if the stability and growth pact is anything to go by, nobody will apply them. This Bill is nonsense, the Committee stage was nonsense, and the Report stage is compounding nonsense into farce. It is a very great pity that we are handing over the running of our financial services to other people, but those are my views and that is all I have to say.

Ian Pearson: This debate has followed a well-trodden path on which we trampled extensively during the Bill's Second Reading and mercilessly during the Committee proceedings, and I feel that we are going to do so again in the remaining time available. It is therefore with a certain sense of ennui that I rehearse the Government's arguments as to why we believe that the existing tripartite framework is the right model. My sense of ennui is lightened only by the fact that as we have gone on through these debates, I have begun to be excited by my realisation that I know even less now than I did before about what the Opposition would do if they came to power.

When it comes to the issue of who is in charge, we have clear answers, but I do not believe the Opposition do. They need to explain who will be in charge—will it be the Governor of the Bank of England? Will it be the Chancellor of the Exchequer? Simply proposing to move around the deckchairs by getting rid of the FSA and transferring its powers to the Bank of England does not answer the question of who is in charge, and it does not substitute for the fact that what is most important is the exercise of judgment.

Our answer to the question of who is in charge is very clear. Each of the tripartite authorities has its responsibilities and tools for financial stability, and the key thing is that their analyses, including of long-term systemic risks and approaches, are effectively aligned and co-ordinated. That is what the council for financial stability will be about. It will be chaired by the Chancellor, who is ultimately accountable to Parliament, unlike some of the Opposition's proposals. Its role will not be to take binding decisions or to impose its will on an independent central bank and financial services regulator, but to work together with them to deliver financial stability objectives.

8.45 pm

I am disappointed, but not surprised, that the hon. Member for Fareham (Mr. Hoban) persists in his views. He has not explained to the House who would be in charge and what his party's policies are. I have set out in detail—at boring length in Committee—the actions that we have taken to protect depositors, the taxpayer and the financial stability of the system as a whole. The authorities have worked closely together to develop a new policy toolkit for dealing with bank failures and instability, and they have implemented often radical solutions to unprecedented difficulties while successfully avoiding a meltdown. It has been an incredible time for all those involved in the endeavour.

I remain of the view that not everything has been perfect, hence some of the improvements in the Bill. We have heard the Opposition say a lot that we should get rid of the powers of the FSA and ensure that the Bank of England has them. Of course, I accept that many different institutional frameworks exist in different countries, and there is no perfect architecture. I ask the House to accept that no single model of financial regulation has been successful in fully insulating any country against the crisis. Fundamentally, my position and that of the Government is that what the regulators actually do, and the judgments that they exercise, matter as much as, if not more than, the institutional framework within which they operate.

Mr. Cash *rose—*

Ian Pearson: Before I give way to the hon. Gentleman, I say to him that changing the institutional system and moving specific responsibilities from one body to another will not in itself make a blind bit of difference, other than to cause significant disruption at a time when

attention should surely be focused on practical, workable solutions on regulatory performance and decision making. His idea of regulation seems to be based on constructing some sort of new Maginot line of financial services regulation. In a global financial system, it is sometimes helpful to have discussion internationally and to co-ordinate regulatory action on a global or pan-European basis. The policies that he argues for do not reflect the modern reality of how the world does its business.

Mr. Cash: The Economic Secretary has mentioned the Maginot line, which fits in well with my reference to appeasement, because the Maginot line was broken almost immediately afterwards.

The real question is, "Who is in control?" Does the Economic Secretary accept that, when he talks about jurisdiction, the European Union and the European Court of Justice will have jurisdiction? When he talks about supervision, as the Chancellor does, and when he uses the ridiculous language of who is in charge, does he realise that being in charge is not the same as being in control? Does he accept that, since the 1690s, the whole United Kingdom has been based on the assumption that we ultimately control our economy—the Bank of England Act 1946 was based on that—and that he is surrendering that control?

Ian Pearson: Conservative Members continually ask, "Who is in charge?" They do not have an answer. As I have said, we are clear that each authority has its own responsibilities.

The FSA, as the independent financial regulator, is responsible for authorising and supervising financial firms and markets. It triggers the special resolution regime. The Bank of England, as an independent central bank, is responsible for providing liquidity assistance to the banking system. It has oversight of inter-bank payment systems and it is the resolution authority under the special resolution regime. The Treasury, as the UK's finance and economics Ministry, is responsible for the overall institutional structure of financial regulation and the legislation that governs it. It is ultimately accountable to Parliament and responsible for decisions that have an impact on the public finances.

There is role clarity and there are different responsibilities, but we are all in it together. That is why the council for financial stability needs to sit down and go through the problems. The hon. Member for Stone (Mr. Cash) should welcome that, and Opposition Front Benchers should recognise that it is in the United Kingdom's best long-term interests. I cannot find many people who are particularly sympathetic to the idea of creating the immense disruption that would ensue if the Conservative party's proposals to fold the FSA into the Bank of England were supported.

Let me consider the amendments and new clauses. I think that the hon. Member for Fareham has tried to provide a focus for debate rather than help the Government—that is clear from amendment 3. Amendments 4 and 5 and new clause 11 relate to the way in which the authorities will work together to achieve their shared goal of financial stability. Amendment 4 would change matters to require the FSA to consult the Bank of England as well as the Treasury. In our view, it is unnecessary. The draft terms of reference for the council for financial stability already specifically require it to consider the financial stability strategies of the Bank of England and the FSA. New clause 11 is intended to have a similar effect to amendment 4, and the same arguments apply.

On the Bank of England's financial stability strategy, it is required to prepare such a strategy under section 2A of the Bank of England Act 1998, as amended by the Banking Act 2009. The hon. Member for Fareham said that new clause 11 would make a difference, but we believe that it is defectively drafted. To have the effect that he seeks, it should refer to subsection (3) of section 2A of the 1998 Act. Regardless of its technical deficiencies, I make the same point as I did about amendment 4—it is simply unnecessary.

Amendment 5 would require the FSA to have regard to proceedings for the council for financial stability when considering its financial stability objective. Again, it is unnecessary—I shall mention one or two amendments that I believe to be unhelpful, too. However, in the case of amendment 5, the FSA will clearly take account of the discussions in the council when considering how best to meet its objective of contributing to financial stability.

I do not think there is anything to be gained by adding the "proceedings of the Council" to the list of matters to which the FSA must have regard in proposed new section 3A of the Financial Markets and Services Act 2000, which clause 5 would insert. Schedule 2(26) to the Bill already amends section 354 of the 2000 Act on the FSA's duty of co-operation, and we believe that that is more than sufficient.

In new clause 12, the hon. Member for Fareham proposes new section 238A to the Banking Act 2009 to give the Bank of England the power to require any person with any information it believes necessary either in pursuit of its financial stability objective or to meet its responsibilities in respect of its recovery and resolution plans. Again, this is not a new issue—in fact, we debated the matter at some length in Committee and during the passage of the 2009 Act. The proposal is neither necessary nor desirable.

For the record, if the Bank believes it needs access to information in connection with its responsibility for financial stability, it can ask the FSA to provide the required information. The FSA does not hold the information, but it would be able to collect it and provide it to the Bank. There is absolutely no need for the Bank to have its own direct powers to gather information from firms. As I think the hon. Gentleman is well aware, the protocol between the Bank and the FSA covers, among other things, how such flows of information will be managed between the two authorities. I welcome that as a good example of the Bank and the FSA working together on financial stability issues, which addresses some of the concerns that he quoted in his remarks.

Mr. Hoban: In the evidence-taking session in Committee, John Footman of the Bank of England pressed for the Bank to be given the power to collect information from financial services institutions. He said that going through the FSA was not appropriate and not good enough. Why is the Treasury rejecting that request from the Bank of England for more powers?

Ian Pearson: I have already explained why such a power is unnecessary. The FSA can provide the information already. I am also concerned that the proposals might give rise to a system of parallel regulators, which is highly undesirable. They could create confusion for

[Ian Pearson]

firms regarding who is responsible for supervising them and lead to the duplication of burdens, because both authorities could go to the same firm for the same information at different times. There are some powerful arguments why new clause 12 would be unhelpful.

Mr. Mark Todd (South Derbyshire) (Lab): I agree with my hon. Friend on the specifics of new clause 12, but the principle that the FSA is obliged to share information that is relevant to financial stability with the Bank is governed currently only by the protocol between the two bodies. I must admit that I have strong sympathy with the view that that should be strengthened in law.

Ian Pearson: I have mentioned the protocol, as my hon. Friend knows. Clearly, the Bank needs to have the information it requires to perform its duties and responsibilities, but I do not think there is a massive point of principle.

On amendment 8, the FSA is already required to submit an annual report. The new international duty proposed in the Bill is a new function for the FSA and the reporting requirement would apply automatically to it. Again, I do not believe that the amendment is necessary.

Amendment 6 concerns information about financial assistance, as defined in section 257 of the Banking Act 2009. We believe that there are already appropriate reporting mechanisms in place—

9 pm

Debate interrupted (Programme Order, 30 November 2009).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E), That the clause be read a Second time.

Question negatived.

The Deputy Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

New Clause 14

STORE CARDS AND CONSUMER CREDIT AGREEMENTS

'(1) The Consumer Credit Act 1974 shall be amended as follows.

(2) After section 60, insert—

"60A Form and content of retail credit-token agreements

(1) The Secretary of State may make regulations as to the form and content of documents embodying retail credit-token agreements, and the regulations shall contain such provisions as appear to him appropriate including requirements to ensure that—

(a) the rate of interest on the credit to be provided under the agreement for credit (or all the rates on a per annum basis where there is more than one rate of interest) does not prejudice the interests of debtors; or

(b) the agreement for credit includes a seven day cooling off period during which credit would not be available to the debtor.

(2) 'Retail credit-token' means a credit-token (which has the meaning given by section 14(1)) which results in the provision of credit under a credit-token agreement provided by a retailer or group of retailers which can only be used for purchases from the retailers concerned.

(3) A 'retailer' means a person or business providing goods and services to an individual.

(4) Accordingly, a 'retail credit-token agreement' is a regulated agreement.".

(3) For section 67, substitute—

"67 Cancellable Agreements

(1) A regulated agreement that is not a retail credit-token agreement may be cancelled by the debtor or hirer in accordance with this Part if the antecedent negotiations included oral representations made when in the presence of the debtor or hirer by an individual acting as, or on behalf of the negotiator, unless—

(a) the agreement is secured on land, or is a restricted-use credit agreement to finance the purchase of land or is an agreement for a bridging loan in connection with the purchase of land, or

(b) the unexecuted agreement is signed by the debtor or hirer at premises at which any of the following is carrying on any business (whether on a permanent or temporary basis)—

(i) the creditor or owner;

(ii) any party to a linked transaction (other than the debtor or hirer or a relative of his);

(iii) the negotiator in any in any antecedent negotiations.

(2) A retail credit-token agreement may be cancelled by the debtor in accordance with this Part.".

(4) For section 68, substitute—

"68 Cooling-off period

The debtor or hirer may serve notice of cancellation of a cancellable agreement between his signing of the unexecuted agreement and—

(a) the end of the fifth day following the day on which he received a copy under section 63(2) or a notice under section 64(1)(b), or

(b) if (by virtue of regulations made under section 64(4)) section 64(1)(b) does not apply, the end of the fourteenth day following the day on which he signed the unexecuted agreement, or

(c) if the cancellable agreement is a retail credit-token agreement, the end of the seventh day following the day on which he signed the unexecuted agreement.".'.—*(Mr. Hoban.)*

Brought up.

Question put, That the clause be added to the Bill:—

The House divided: Ayes 167, Noes 253.

Division No. 56] **[9.00 pm**

AYES

Afriyie, Adam	Burrowes, Mr. David
Alexander, Danny	Butterfill, Sir John
Amess, Mr. David	Cable, Dr. Vincent
Bacon, Mr. Richard	Clark, Greg
Baker, Norman	Clifton-Brown, Mr. Geoffrey
Baldry, Tony	Crabb, Mr. Stephen
Barker, Gregory	Curry, rh Mr. David
Beith, rh Sir Alan	Davies, Mr. Dai
Bellingham, Mr. Henry	Davies, Philip
Benyon, Mr. Richard	Djanogly, Mr. Jonathan
Beresford, Sir Paul	Dorrell, rh Mr. Stephen
Binley, Mr. Brian	Duddridge, James
Blunt, Mr. Crispin	Duncan, Alan
Bone, Mr. Peter	Fabricant, Michael
Brady, Mr. Graham	Fallon, Mr. Michael
Brazier, Mr. Julian	Farron, Tim
Breed, Mr. Colin	Field, Mr. Mark
Brooke, Annette	Francois, Mr. Mark
Browning, Angela	Garnier, Mr. Edward
Burns, Mr. Simon	Gauke, Mr. David

Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Main, Anne
Maples, Mr. John
Mason, John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Rogerson, Dan
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Thurso, John
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. John Baron and Mr. Brooks Newmark

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Flello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
McAvoy, rh Mr. Thomas
McCabe, Steve

McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dan
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Wright, Mr. Anthony
Wright, Mr. Iain

Tellers for the Noes:
David Wright and Mr. Bob Blizzard

Question accordingly negatived.

Amendment proposed: 3, in page 1, line 3, leave out clause 1.—*(Mr. Hoban.)*

Question put, That the amendment be made.

The House divided: Ayes 125, Noes 295.

Division No. 57] **[9.16 pm**

AYES

Afriyie, Adam
Amess, Mr. David
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Butterfill, Sir John
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan, Alan
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Howell, John
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Main, Anne
Maples, Mr. John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Soames, Mr. Nicholas
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Brooks Newmark and Mr. John Baron

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne

Beith, rh Sir Alan
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farron, Tim
Field, rh Mr. Frank
Fiello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laws, Mr. David
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, Matthew
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Wright, Mr. Anthony
Wright, Mr. Iain

Tellers for the Noes:
David Wright and
Mr. Bob Blizzard

Question accordingly negatived.

Third Reading

9.28 pm

Ian Pearson: I beg to move, That the Bill be now read the Third time.

We have had an interesting debate on Report. I am grateful to everyone who took part in it, and to the members of all parties who have contributed to the debate as the Bill has passed through the House. In particular, I should like to thank those hon. Members who served on the Public Bill Committee, and I am grateful for the overall constructive approach that all sides adopted in those sittings, even when there was disagreement.

In Committee, we had the opportunity to review and discuss in depth the Bill's specific measures. That process was instrumental in teasing out further details on how we envisage that the Bill's measures will operate. I know that that process was very much welcomed by a number of the outside bodies that follow our proceedings closely.

I want to take this opportunity to remind the House of the context in which the Government are introducing this piece of legislation. Over the past couple of years, the global economy has been tested in ways that few would ever have anticipated. The origins of the crisis lie firmly in the financial sector. We have a duty, indeed an unprecedented opportunity, to review our financial landscape and ensure that the lessons of the crisis are learned by shareholders, corporate investors, management, regulators and Governments alike. We need to make absolutely sure that in future any crises will not only be less damaging but less likely altogether.

The causes of the crisis were complex, and there is no single remedy for all of them at once. We need a package of measures that address the wide variety of aspects affecting the industry, from the way it is regulated and its corporate governance, to the way it treats its consumers. That is why the Bill contains such a diverse range of provisions. The Government believe that, together, those measures will help bring a real change in emphasis, in the way we consider and address systemic risk, and in the way we protect consumers.

I am grateful to hon. Members for their probing and questioning over the past few weeks in Committee. I know there were some questions about the practical effects of some of the measures. I hope I was able to bring further clarity, and with it reassurance, to the Committee.

Specifically, I know that the Committee had concerns about the proposed new powers of the FSA on remuneration rules. The Government were happy to remove any ambiguity, and following a recommendation from the Joint Committee on Human Rights, we tabled an amendment to make it clear that any FSA rules making contractual provisions void when they breach a prohibition on remuneration will apply only to contract provisions that are agreed after the rules in question have come into force. We are not proposing—as I think some were concerned—that the powers should be in any way retrospective.

Similarly, I understand that there was some confusion about the scope of the short selling power. We had the opportunity to debate short selling today. I hope the confirmation that any prohibition would apply to identified financial instruments, or ban short selling in specified cases rather than by certain firms, will reassure hon. Members. It is not the case that one firm might be banned from short selling a stock when another was able to do so. I am happy to reaffirm that.

Overall, I was encouraged by the willingness of the Opposition to support the principle of many of the Bill's provisions. Many of the questions relating to the recovery and resolution plans sought to ascertain what they might look like in practice, rather than challenge the intention of the plans, which is to reduce the impact and likelihood of firms failing. Only recently, we heard contributions to the "too big to fail" debate.

I pay tribute to the hon. Member for Fareham (Mr. Hoban) for the thorough way in which he led for the Opposition. He was keen to find out what the court rules might look like in relation to collective proceedings. I sympathise with his desire to engage on the greater detail, although I hope the House appreciates that such a level of granularity is best determined by experts in the fields, and is a matter for other channels. Those aspects will, of course, be subject to consultation.

We have discussed the shape of institutional arrangements at considerable length. I said a few moments ago that it was a well-trodden path—if not an excessively trampled one. It is an important issue, but as I have been at pains to stress on several occasions, I do not think structure is the issue. The crisis was a global one, affecting countries regardless of their institutional frameworks. What matters most is not who does the job, but that the job is done effectively, and that the institutional framework is clear and coherent. That is why the Bill focuses on making the existing arrangements work better by strengthening them further—for example, by introducing the council for financial stability, which will operate on a more formal, transparent and accountable basis than the previous arrangements, should the Bill pass into law.

It is clear that the arrangements have not received universal approval, but the Government are clear that we need the authorities to focus on reducing risk and strengthening the resilience of the financial system, and—at the risk of repeating myself—not having to deal with the disruption and uncertainty that would be caused by unnecessary institutional upheaval. I think that we need to be very clear about the real risks that would be involved in that.

Hand in hand with that, we propose to give the FSA a financial stability objective. While many have interpreted that as an erosion of the FSA's consumer protection objective, or vice versa, I believe that the objectives are in fact complementary. It is unlikely that one would succeed without the other—both are necessary.

The Bill will enhance the powers and responsibilities of the FSA, embed a structure to monitor financial stability in the UK and abroad, and give regulators additional powers in relation to remuneration in the financial services sector. It was a shame that we did not have the opportunity to debate some amendments relating to those proposals today, but the measures were considered substantively in Committee. Importantly, the Bill will also ensure that banks and building societies address the likelihood and impact of their failure by drawing up contingency recovery and resolution plans.

In parallel, the Bill includes provisions that will enable the creation of a brand new independent consumer financial education body to enhance education and

awareness. It will establish new and more effective routes to redress and compensation for consumers where there has been widespread detriment. Again, although we were unable to discuss those issues on Report, we discussed the proposals extensively in Committee, and they have been widely welcomed by consumer groups.

The proposals represent the Government's considered response to some of the key lessons learned during this crisis. The Bill entrenches a new strategy to ensure the protection of financial stability and wide-ranging reforms to the financial services industry. We want to ensure that the industry on which our economy relies so much emerges on a more robust footing. This vital Bill will help to build a new environment in which a financial services industry based on both stability and prosperity can thrive. That is no small task. I am most grateful for the thoughtful and thorough scrutiny that the House and the Public Bill Committee have given the Bill, and I commend it to the House.

9.37 pm

Mr. Hoban: I echo the Minister in commending all those who have participated in the scrutiny of the Bill, both on Report and in Committee. One of the strengths of the Public Bill Committee—I referred to this at the conclusion of its proceedings—was that it was assisted by the presence of several hon. Members from both sides of the House who were able to bring their expertise from serving on the Treasury Committee to bear on the matters in the Bill.

Those Members were not the only people who contributed to the Public Bill Committee, however, and I am grateful to my hon. Friends who served on it for the time that they put into developing their ideas. The hon. Member for Wolverhampton, South-West (Rob Marris), of course, was a prodigious commentator on the Bill. I was sorry that the hon. Member for Twickenham (Dr. Cable) did not join us in the Public Bill Committee, even though he was a member, but his colleague, the hon. Member for South-East Cornwall (Mr. Breed), did a good job of setting out several of the arguments.

It would be remiss of me if I did not say a few words about the Minister. This is our fifth Bill since October 2008, and among his hallmarks are his willingness to engage in debates and to give good answers to questions that are posed, and his understanding of the content of Bills, which goes beyond that occasionally displayed by Members on both sides of the House. I understand that he has decided to step down after the next election, whenever that comes, and I wish him well in whatever he chooses to do.

The Bill is a strange combination. We did not oppose its Second Reading, and when I glanced just now at its contents, I realised how much of it we support. I would divide the measures into three categories: the welcome, the cosmetic and the misconceived. There are more measures in the welcome category than in the other two and important proposals will enhance consumer protection, but one challenge that the financial services sector faces, as it seeks to rebuild confidence in it following the financial crisis of the past two or three years is how to encourage consumers to engage with the Bill.

Many measures that focus on the consumer will help to encourage consumers to engage. Three distinct areas are involved in that, the first of which is the establishment of the consumer finance education body. One challenge that we all recognise is the need to increase people's confidence in discussing financial products with independent financial advisers, banks and insurance companies. A huge deficit in people's financial understanding needs to be dealt with.

We will not necessarily all agree exactly about how that deficit should be repaired—the hon. Member for South Derbyshire (Mr. Todd) has his own views on how effective those measures will be and how best to target the work of the new consumer finance education body—but we are all clear that the work that the FSA has already established in the pilot projects needs to continue. On a visit to Gateshead, I saw for myself the importance of the work done by Age Concern and Help the Aged as part of the pilot project.

The second group of measures aimed at improving the lot of consumers is the action taken on banning credit card cheques. Sending out unsolicited credit card cheques has been one of the most indefensible practices in the consumer credit industry over a long period. In Committee, I told hon. Members that my wife had received some credit card cheques before Christmas. The industry, knowing that such cheques were to be banned, was still sending them out. I had rather hoped that the pre-Christmas mailshot would be the last that she received including such cheques, but I was disappointed, as in the past 10 days or so they have been offered to her in another mailshot from her credit card company. Clearly, the consumer credit sector is having a last hurrah.

The next batch of measures that protects consumers, which we welcome, is the arrangements on collective proceedings orders and consumer redress schemes. The point of contention, perhaps, between me and the Minister is straightforward: the measures have been included in the Bill, but they came as a surprise to the industry despite the fact that they were trailed in the consumer White Paper.

The industry was not clear about how the measures would work in practice. The scrutiny process achieved some clarity on the fact that generic court rules would be designed, then Treasury regulations introduced to modify those rules to ensure that they were appropriate for financial services claims. That process is now understood and welcomed, but the industry will want to engage with it in some detail over the coming months, as the Minister might expect.

Another important area, which we touched on occasionally in Committee, is what we do when a number of people have experience of buying a particular product involving a systemic case of mis-selling—for example, when a number of products with the same fault have been put on the market.

Currently, such cases are dealt with by the Financial Ombudsman Service. I think that the procedure is unsatisfactory, both for FOS and the industry. The reforms set out in the Bill will insert a new section 404 in the Financial Services and Markets Act 2000 to create consumer redress schemes, which is an important move forward. I am sure that there is more we can do on safeguards to ensure that they work properly, especially where there is some doubt about the application of law or of FSA regulations. Improvements can be made to ensure that the proposals are welcomed not only by consumer groups, but by the industry.

[Mr. Hoban]

We also welcome measures on remuneration, the framework for short selling, which we debated earlier, and living wills. Our financial regulation White Paper, issued last year, outlined our support for living wills. That is an important part of the resolution regime introduced in the Banking Act 2009.

There are cosmetic changes on financial stability and the Bank of England. When the hon. Member for Wallasey (Angela Eagle) was Exchequer Secretary, she was keen to point out that the FSA already had the implicit objective of financial stability. The Minister believes that by making that objective explicit it has greater salience, but we shall see what happens and how behaviour changes as a consequence. The duty to co-operate with international bodies was a matter of interest for my hon. Friend the Member for Stone (Mr. Cash). The FSA already does so much of that that it is difficult to see what more can be achieved.

Some measures in the Bill are misconceived. The Minister referred to the well-trodden path in the first four clauses. We trod it well in Committee, both in our evidence sessions and in our debates. Indeed, the issues were reprised this evening, and they are the source of fundamental disagreement between the Minister and me. We set out clearly in our White Paper our plans to give increased powers to the Bank of England on micro and macro-prudential stability, and what we are going to do to give new powers to the Consumer Protection Agency. If I go on for too long, Mr. Speaker, you will rule me out of order for a Third Reading speech, so I shall save my remarks for another occasion, if the opportunity presents itself.

There are important lessons to be learned from the financial crisis, and the Bill deals with some of them. However, the financial services sector must recognise that it is not just policy makers and legislators who need to make reforms, but that it, too, must engage. I am sure that we will return to these issues again, because as the financial crisis unfolds—the Bill is good at future-proofing, with measures on living wills, for example, on which we are creating a framework for the FSA, and measures on remuneration, which create another framework for it—there will be opportunities to identify new issues, which may require legislation, as a result of the duty to co-operate with international financial institutions.

This is a helpful Bill that improves the opportunities for consumer protection and education. It makes important changes to the framework to help to ensure that if there is another banking crisis a proper resolution is in place. There are things in it that we support; there are some things that we think are purely cosmetic; and there are some things that are misconceived. However, the process that it has undergone over the past couple of months has helped to illuminate its workings and set out the challenges to which we all need to rise.

Several hon. Members *rose—*

Mr. Speaker: Order. Before we proceed, a moment ago, three hon. Members were seeking to catch my eye. We have less than 12 minutes to accommodate them all. I should like to do so, but Members can do the arithmetic themselves.

9.48 pm

Mr. Breed: I shall not detain the Chamber long, Mr. Speaker.

The Bill was born of the need to learn lessons, and it must be said that many of those things were not spotted by the original regulatory and supervisory system. It introduces some sensible measures, most of which we can wholeheartedly support, and our work has certainly been assisted by the witness sessions. We could not support the official Opposition's amendment to abolish the council for financial stability. Overall, there is a need for a tripartite system. It did not work last time, but that does not mean that it cannot work. We would like to stiffen it up even more, but perhaps in the light of events, we have the opportunity to give it greater transparency and authority. We were able to support the granting of additional powers for the FSA. I heard what the hon. Member for Fareham (Mr. Hoban) said about the Bank of England, but it would experience some difficult conflicts of interest if it was given significant new powers on financial stability.

Recovery and resolution plans will need to be fleshed out—their cost, how they will be updated and how they will apply. Whether we break up some of the big banks will have a major effect on them. We support the collective proceedings, but they are wide ranging and cause concern to the industry. Some tweaking is needed so that they get the necessary support.

I welcome the fact that we will get rid of credit card cheques. I am disappointed that we could not also get rid of unsolicited credit limits, but I assume that will be considered fairly soon, hopefully after a review. It would be a similar and complementary measure. The financial education body will be extremely useful. Much more consumer education is needed if people are to understand what they are buying, how they are paying for it, and their rights and responsibilities.

Finally, as the Minister, like me, has decided not to stand again, may I say that I have much enjoyed his company? His courtesy, kindness and good humour greatly assisted our Committee proceedings.

9.51 pm

Mr. Charles Walker (Broxbourne) (Con): I, too, enjoyed serving on the Committee that considered the Bill, and shall say some nice words about the Minister. He has worked incredibly hard over the past two years—some people have worked him too hard. He has announced that he is leaving the House at the next election. I know that he has a great many friends on both sides of the Chamber, and I am sure he will find a berth very quickly in the private sector, where his talents will be put to good and, I hope, profitable use. So I say farewell to the Minister, at least from the perspective of seeing him at the Government Dispatch Box.

A witness who appeared before our Committee said that the banks made entirely the right decisions based on the totally wrong assumptions. If the Bill starts to redress that imbalance in decision making, it will be a good thing. I am not entirely sure that the council for financial stability will be a wild success. I remain to be convinced about that, because ultimately, if we want

banks to be responsible, we need responsible management and responsible shareholders who want long-term returns on their investment, not short-term returns.

Perhaps I may add, without trying Mr. Speaker's patience, that we need fewer people called Fred the Shred running our banks. We need more people called Brian the Boring running our banks—good, old-fashioned, boring bankers who can make the numbers add up at the end of the month. That is what the British public want—a lot of boring bankers. I said that very slowly.

Consumer financial education sounds very boring, but my word, it is important. If something sounds too good to be true, it is too good to be true. Many banks have taken advantage of people who lack financial sophistication, and that is not to the banks' credit. One of the reasons we are in this mess is that many people have over-extended themselves, not because they are greedy but because they have been persuaded by their banks that they can afford to take that debt on board. Educating the customers of banks and financial institutions is crucial. We do not want to do that only when they walk through the doors of those establishments as adults. We need to start educating them at school at an early age. For that reason, if for no other, I am entirely happy to support the Bill. I am sure it is just one building block of a very large house that we will all need to build.

James Duddridge: I declare an interest as a reformed and very boring banker. Although there is a need for education, what confidence does my hon. Friend have in the Government to give that education to young schoolchildren? I worry about the children of Southend. They need to be educated in financial management, but I would not want to send them along to the Government in general, despite the good things that my hon. Friend said about the Minister. I would not want to send them along to a Government who have run up debt and spent, spent, spent.

Mr. Walker: I want to be charitable this evening, because I believe that there will be a change of Government in three to four months, and that is a good thing. The democratic wheel turns and other people get their turn in Parliament; and then in 10 years' time we will all be hated and I imagine that the other lot will get their turn. In agreeing with my hon. Friend, however, I think it very important that children in Southend and Broxbourne understand from a very early age, the importance of finances, and understand that how they manage their finances will have a major impact on their life. With that, I shall sit down and allow others to take part.

9.55 pm

John Howell: I, too, pay tribute to the Minister. He is an intellectual. I know that that can in some places be a dirty word, and I hope that his Whips will not hold that against him for the remaining time that he is a Member. However, it is always a great pleasure to sit on a Committee with a Minister who has the intellectual capabilities to understand and to run arguments, so I thank him very much for that.

During the course of the Bill's proceedings, I, too, have found it fascinating and a great privilege to serve with distinguished members of the Treasury Committee and distinguished Members of this House. I cannot help feeling a little disappointed by the Bill's eccentricities, but only one or two items of principle divide us. The item of major principle which has divided us is the Bill's reaffirmation of the tripartite arrangement. I am absolutely devastated that we lost the vote on the amendment that would have removed clause 1, because that would have been a fitting end to the endless speeches on the subject from me and my colleagues. The Bill takes an ostrich-like approach, in which the tripartite arrangement is still seen to be resilient and a good thing; and it is a Bill in which the creation of a body that is almost identical to its predecessor is still seen as a major step forward.

There is symmetry in the new system, however. The biggest criticism of the old system was a lack of leadership, and the biggest criticism of the new system is a lack of leadership. Even that, however, provided Government Members with a golden opportunity to practise in Committee the skills that they will undoubtedly need in opposition of calling for us to explain our policies. I hope that those skills stand them in good stead.

We have created some confusion by marginalising and blurring the responsibilities of the Bank of England while allowing the Financial Services Authority to stray from simple regulation into politics. The Bill is high on PR but low on change, and I still struggle to see the real additionality to it. The other issue about which I felt frustrated was the enormous lack of detail, particularly on costings. It came out in relation to living wills, for which the impact assessment provides no costings, and in relation to short selling. That aspect of the Bill was pulled back remarkably today into a sensible state, but the ranges of available costings are too wide to be useful.

Other Members have spoken of the good work that the Bill promises on improving public education in finance, but there was still some confusion about its relationship with what the private sector already does. The relevant clauses left so much open and provided such a vague framework that, in the opinion of one witness,

"the wording is sufficiently wide that in all probability we will be able to come up with appropriate regulations that fit within whatever comes"—[*Official Report, Financial Services Public Bill Committee*, 10 December 2009; c. 110, Q48.]

We would not like that to be a regular feature of any Bill.

There are backstops all over the place, such as the consumer redress measures. They are headline grabbing, we are not sure when they will be used, and there is no consistency or real understanding of the potential to introduce US-style litigation to UK courts. One witness was prompted to say that

"just about everything of substance is passed to a secondary legislative process through regulations... It does not seem to be the way to proceed."—[*Official Report, Financial Services Public Bill Committee*, 10 December 2009; c. 78, Q14.]

I entirely agree with that. Having regulations, even in draft, alongside the Bill would have helped enormously in giving us a greater understanding and depth of discussion, which at times we have had to skirt around.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

REPRESENTATION OF THE PEOPLE, NORTHERN IRELAND

That the draft Representation of the People (Northern Ireland) (Amendment) Regulations 2010, which were laid before this House on 2 December, be approved.—*(Helen Jones.)*

Question agreed to.

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Thursday 28 January, notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means may be entered upon at any hour, and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Helen Jones.)*

Hon. Members: Object.

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Motion made,

That, for the purposes of its approval under section 5 of the European Communities (Amendment) Act 1993, the Government's assessment as set out in the Pre-Budget Report 2009 shall be treated as if it were an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees).—*(Helen Jones.)*

Hon. Members: Object.

JUSTICE

Ordered,

That Mr Virendra Sharma be discharged from the Justice Committee and Rosie Cooper be added.—*(Rosemary McKenna, on behalf of the Committee of Selection.)*

Royal Mail (Industrial Relations)

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Jones.)*

10.1 pm

Dr. John Pugh (Southport) (LD): I think that it could fairly be said that postmen live unique but important lives. They work some pretty unsocial hours, yet they need to have the social skills to interact with every kind of person they meet. They call at every house and every business, so they have an unrivalled view of how our communities and towns are made up. They are a tolerant lot, putting up with letterboxes in ridiculous places, dogs of all dispositions, and gates and paths that offer more in the way of hazard than access. Not surprisingly, usually there is a real camaraderie among postmen, which is encapsulated quite well in the recent Ken Loach film, "Looking for Eric"—"Eric" being Eric Cantona—which even I, as a Liverpool supporter, managed to enjoy and which I would recommend to you, Mr. Speaker, if you have a spare moment. The British postman is part of the life of all of us. He brings us the bills, the good news, the presents, the offers, the bad tidings; and most importantly, of course, the constituency mailbag. It is easy to romanticise Royal Mail.

Given all that, and given such a perspective, what I have to do tonight is to explain why, in the relatively small Royal Mail office in Southport, 46 postmen have been suspended or dismissed or have gone off work with stress; why I receive e-mails and letters from their wives, alarmed by the prospect of dismissal, loss of income, mortgage arrears and repossession; and why apparently experienced and loyal staff get dismissed and good postmen fear for their jobs. I have tried to answer those questions outside this place in the ordinary way of casework. I have inquired about specific cases, but Royal Mail will not talk about specific cases. I have tried to get comparative statistics, but Royal Mail will not provide them. I have tried, in desperation, writing to the chief executive, Mr. Crozier, but his underling replied with warm words that did not assist me with my questions. So here I am on this Monday night, not because I am against Royal Mail privatisation, although I am, and not because I think that the union states a good case in that respect, which I do, but simply because I know people who are losing good jobs and I understand what they, their wives and their families feel.

Let me explain. In my constituency, Royal Mail is summarily dismissing or suspending people for things such as not wearing their cycle helmets; for leaving letters in post boxes, even if they have never done it before; and for leaving mail, in exceptional—and I mean exceptional—circumstances, unguarded. All this is picked up and identified by a management intent on surveillance and on forcible action. It does not matter that the individual has an excellent employee record or that affairs are conducted differently elsewhere. I gawped with wonder when I recently saw in another town postmen without helmets cycling happily away from the local HQ, in full view of everyone. I will not mention the town for fear that at some later date those postmen, too, will get into trouble. No matter that management reserve the right to breach the rules on occasions themselves—that does not seem to have any impact.

They sometimes do not sign for registered mail, especially if it is a letter from an employee about their disciplinary hearing.

It would be quite easy to leap to the conclusion that there is an underlying strategy to find reasons to shed experienced staff, so as to cut costs, replace permanent staff with casual or reduce pension liabilities. How else can we explain the fact that the manager who has sacked the most staff appears to be the most applauded by the Royal Mail? I do not go for easy explanations, but I am not entirely certain what other explanations I should offer in this case.

Mr. Edward Timpson (Crewe and Nantwich) (Con): The hon. Gentleman is making an excellent speech in defence of his local postal workers. Does he agree that the experience of postal workers in Southport, about which he is telling the House, is not isolated? In other parts of the country, including Crewe, in my constituency, where 600 postal workers are currently facing the prospect of losing their job, the problem is down to the management's running of Royal Mail and their cack-handed approach to the review of the postal service, of which the workers are taking the brunt.

Dr. Pugh: I am not reassured or even encouraged but disturbed to hear that the same thing is happening elsewhere.

It is a fact—a rather suspicious fact—that as experienced staff are replaced by less experienced staff, even if they successfully appeal to an employment tribunal, the crippling pension liabilities of Royal Mail are reduced. I have seen one case in which a saving of £37,000 was engineered, if I may put it like that, from such a dismissal. The management with that dismal record of suspension and dismissal received an award in 2009 for being the most improved. Is that because they have got gross staff hours down by 25 per cent.?

I have been told of a good career ending when a postman signed for a little old lady—a known customer whom he saw most days—so that she would not have to make the trek out of town to the sorting office, because there was no bus route. She phoned the office to get her thanks passed on, and it cost the postman his job. I have been told of a suspension when a postman stayed too long answering customer queries inside a shop. His load was left within range and eyesight, and critically within Post Office guidelines. He had to be reinstated, but he should never have been suspended.

I have been told of postmen followed out to the countryside to isolated dwellings to see whether they leave their van unlocked for a second, which is not an altogether irrational thing to do, and of loyal workers suspended for mistakenly leaving a bag in a van or a letter in a post box—all understandable mistakes. They are examples of not good practice, but they are cases for a word of advice, not for a disciplinary hearing.

"Wilful delay of the mail", I have learned, is a serious offence, but it is used against people in circumstances in which "serious" is perhaps not precisely the word to use. What are we to do if hard-working postmen with otherwise good records return from shifts having been unable to complete their deliveries in time, in extraordinary and atypical circumstances, sometimes having been given additional work by management, and are charged with wilful delay of the mail? Is that bad management direction or a sackable offence? It appears to be the latter in Southport, and postmen do it at their peril because disciplinary hearings will inevitably, it seems, result. Staff are constantly warned of the consequences of wilful delay of mail—so they should be—but they are not told how to protect themselves if for any reason they are unable to complete their duty. There will be good reasons for that at times.

Then there are the helmets. I am aware of the national agreement on helmets and of a study on how it is going, but I am not aware of its having being put in the public domain, published, evaluated or mulled over. There have been two dismissals for not wearing helmets in Southport, both tragic cases that have affected families at critical times. They were not for an incorrigible refusal to wear helmets or perpetual non-wearing, and they did not necessarily relate to occasions when the postmen were in a hazardous environment. They were just chance sightings of a man without a helmet.

All over this land, including down the road in Formby, which is not very far from Southport, I see postmen on bikes with helmets either not on or in some cases not there. That is why I have asked for, but not got, statistics, and why I want consistency, which is crucial. I want to be convinced that any sanction on Southport postmen is proportionate, reasonable and fair, and that the helmet issue is not being used as a device to thin staff. So far, I have not been convinced.

I would genuinely like to believe that Royal Mail was unusually solicitous for the welfare of its staff, but it has no compunction in sending them out, as it did recently, with the pavements frozen solid—as the accident ledger shows. It did not even get the yard free from ice and snow. It had no compunction in sending a member of staff, who was supposed to be on light duties, out on a full round so that stitches unpicked and they had to go back to hospital. Subsequently, that member of staff got warned, went off with stress and resigned.

Given that the rule is for the good of the employee—that is the reason for it—how, in the sum total of things, is the occasional removal of a helmet to be viewed? Is the Post Office worried about the lack of redress if a postman is injured without a helmet, and so makes sure that he loses his job instead?

I know that there are good and bad employees, and managers with difficult people to manage. Perhaps I am giving only one side of the story, but I would like briefly to refer hon. Members to the 2008 Hooper report, which said:

> "We are particularly concerned about the impact of poor industrial relations. The relationship between the Communication Workers Union and management remains extremely difficult. There is a lack of trust in the relationship at many levels. Both sides feel the need to defend past decisions and reactions. Both have been accused of taking a tactical and piecemeal approach to change... Although management and unions recognise that their relationship is a problem, neither side has found a way to resolve it."

I do not know whether that is true in general, but it is certainly true in Southport.

We all know from personal experience that in any workplace, there must be some give and take, and that good teamwork is desirable. However, few people know what it is like when the atmosphere in the workplace goes wrong: when the employee fears that mistakes are no longer possible, surveillance seems to have a purpose, disciplinary processes seem to lack transparency and grievance procedure lacks credibility. If going to work

[Dr. Pugh]

seems a battle to stay at work—because people are trying to get you out of work—something is going seriously wrong. For that reason—this is the point of the debate—I want the Minister to join me simply in a hunt for the facts.

Let us look at the disciplinary profile of each sorting office—whether it is Crewe or Southport—and let us encourage employees and unions to produce evidence. I do not know how things are elsewhere, but it is not difficult to run up the number of disciplinary cases, dismissals, the reasons given, employment tribunals and their results. If the figures are high or angry, we should address them—for something surely is going wrong. That is certainly true of Southport, also of Crewe and possibly elsewhere.

Ms Katy Clark (North Ayrshire and Arran) (Lab): I am listening to the hon. Gentleman with great interest. I assure him that I am aware of similar situations in the area that I represent, so they definitely occur in Scotland, too. Does he agree that, despite that, Royal Mail employees provide a huge public service and that we must do everything we can to protect that? In the long-term, that will ensure that we get good mail delivery in this country.

Dr. Pugh: As on many occasions, I thoroughly agree with the hon. Lady. The employees deliver an important public service in stretched circumstances. I also note her point that the problem applies to Scotland as well as elsewhere, and that is worrying.

I am sure that other hon. Members would have stayed for the Adjournment debate, had they been alerted to the details of the topic. If more were present, I think that we would have heard a chorus from throughout the country—perhaps not from everywhere, but certainly from a wide area.

It is genuinely not the statistics that matter in the end, but my constituents who lose a job—and the heart-rending e-mails that they send me. That is the core of the matter and the reason for my standing here tonight to plead their case. I would like some assistance from the Minister—or some awareness that something in Royal Mail is not going right.

10.14 pm

The Minister for Business, Innovation and Skills (Mr. Pat McFadden): I congratulate the hon. Member for Southport (Dr. Pugh) on securing the debate, and my hon. Friend the Member for North Ayrshire and Arran (Ms Clark) and the hon. Member for Crewe and Nantwich (Mr. Timpson) on their contributions to it.

Royal Mail issues always arouse debate in the House, and tonight we have specifically focused on industrial relations within the company. The fact is that Royal Mail has a poor industrial relations record. That was shown clearly in the Hooper report, to which the hon. Member for Southport has referred. In the past two and a half years, there have been two national strikes, other threatened strikes in between and a number of localised and unofficial disputes.

Royal Mail faces a lot of difficult change for a number of reasons, including competition from new technologies, a decline in letter volumes—parcel volumes have increased, but not enough to replace that—and a long-term programme to introduce new technology and make a number of other changes, for which the Government have lent the company £1.2 billion. Whatever level of mechanisation is introduced, Royal Mail will still depend on its staff to deliver the postal service that we enjoy, the core of which is the universal service—the one-price letter that can go anywhere in the country, from Cornwall to the highlands, six days a week.

The delivery of that universal service depends on the army of thousands of postmen and women who, as the hon. Gentleman has pointed out, deliver in all weathers and all areas, rural and urban. We all saw just how important and valuable that service was during the recent very cold weather, when we had a lot of snow. I pay tribute to the hard-working staff of Royal Mail, who kept up a service in the vast majority of the country in that period.

Talks are currently taking place to try to secure a long-term agreement between the management and the unions on change in Royal Mail. They are being mediated by Mr. Roger Poole, a former Unison official and former chairman of the Northern Ireland Parades Commission—he is a man who knows something about conflict and compromise. I have kept in close touch with him in recent weeks. I do not want to go into the detail of those talks, and it is probably right that I do not do so, but both parties are working hard to reach an agreement. An agreement is important, because it is in everyone's interests, including staff, management and the public—this goes to the core of some of the issues that the hon. Gentleman has raised—to get away from the damaging pattern of disputes that have characterised too much of Royal Mail's operations in recent years.

The hon. Gentleman raised a number of specific points about disciplinary action and so on. Let me set out clearly what the relationship is. Ever since the Postal Services Act 2000, Royal Mail has been run by its board and management. It is for them, together with the trade unions involved, to come to agreements on procedures and practices in the workplace. There are appeals procedures if things go wrong and, ultimately, the sanction of the employment tribunals, which is the legal process through which individuals can raise grievances.

In particular, the hon. Gentleman referred to the issue of cycling helmets. I am an occasional cyclist, and I am familiar with the general debate on them. Unlike seat belts in cars, they are not required by law, although they are advisable, and most reputable cycle shops would advise anyone taking up cycling to wear one. In Royal Mail, more than 24,000 cycles are used by postmen and women. Dave Joyce, the national health, safety and environment officer, said a few years ago:

> "Conscious of the fact that five members had died in cycle accidents from head injuries in a three year period, the Union and Royal Mail agreed that action was needed to improve Cycle safety standards in order to reduce the risk of serious and fatal injuries amongst our delivery workforce. CWU Conference subsequently debated the issue and voted in favour of compulsory Cycle Helmet introduction."

Following that vote, the first code of practice was agreed and introduced back in 2003. Royal Mail's policies on cycle helmets have been refined since then, and the current document states that it is mandatory for all postmen and women to wear a high-visibility waistcoat and cycle helmet when riding a Royal Mail cycle. Whenever

a postman or woman receives a helmet, they are also reminded through briefings and notices of the requirement to wear it while cycling. I, like some of the hon. Gentleman's correspondents at Royal Mail, do not really wish to comment on individual cases, because I cannot be sure of the full facts, but there is a clear policy on wearing cycle helmets that goes back a few years.

Any disciplinary action under that policy is for the company to deal with under its existing disciplinary procedures. Since 2003, cycle helmets have been supplied by Royal Mail as part of the personal protective equipment for staff using cycles, and high-visibility jackets and protective shoes are also issued to staff.

Dr. Pugh: The issue is not the policy, but the enforcement levels when the policy is not strictly observed. In many circumstances, a postman may take off his cycle helmet when going to the door of a house or to mop his brow. On many occasions in the course of his duties he may not have a helmet on, perhaps for a very brief period each time. If that becomes a case for dismissal, it destroys the benefit that the helmet is supposed to give to the employee in the first place.

Mr. McFadden: If issues arise from the policy, they have to be dealt with by Royal Mail under its disciplinary procedures. If employees still have a grievance, they have recourse to the tribunal. I am saying that the issue has been debated for some time within Royal Mail, and there is a clear policy on it.

The hon. Gentleman raises the issue of consistency between areas. Royal Mail is a large organisation, and it is not inconceivable that there are inconsistencies. I suspect that not everything in Royal Mail is done in exactly the same way in every delivery office or sorting office.

Before the debate, I asked my officials to contact Royal Mail to see whether there are particular issues in the hon. Gentleman's local office. Royal Mail told my officials that that delivery office is one of the largest users of cycles in the UK and that failure to wear cycle helmets has been an issue in the past in the area. Locally, the issue was debated at an area forum in 2008 and a new approach was adopted, under which non-wearing of cycle helmets was deemed a serious breach of instructions. Royal Mail has told my officials that employees were briefed about that and the consequences of the failure to comply.

I understand that it is open to hon. Members to raise any issue with me in these debates, but the broader point is that under the reforms put in place in the Postal Services Act 2000, we gave Royal Mail greater commercial freedom and established a clear distinction between ownership of the company and the day-to-day running of the company. Since then, we have not tried to second-guess management every step of the way or on everything that happens inside local offices. The company's board and its managers are there to run the company. The management and unions must work together to ensure that the proper procedures are in place. As I have said, the CWU, the main union in the Royal Mail, has been involved in the preparation of such policies, including on cycle helmets.

More broadly, and to return to the current negotiations, I agree with the hon. Gentleman that there has been a pattern of local disputes in Royal Mail, whether in his local office or other local offices. It has held the organisation back, resulted in other disputes whereby custom is lost to other mail operators and affected morale in the organisation. It is in everyone's interests for the current talks to reach not an agreement that unravels in its implantation, but a long-term agreement that secures shared ownership of Royal Mail's long-term goals, because as I have said—sometimes perhaps without any great acceptance in the House—the technological challenge is not going away. The capacity to communicate by means other than mail will only increase, which means that the pressure for change will increase. What I hope will emerge from the negotiations is a long-term agreement whereby we can get away from that pattern of disputes and from the mistrust, to which the hon. Gentleman has referred, in the Hooper report—we all acknowledge that it is there—and get industrial relations on to a better long-term footing for the future.

Dr. Pugh: I in no sense disagree with the Minister, but is he interested in knowing the variations between individual Royal Mail centres? That information could tell us quite a lot about what is happening in the company. The Government have a genuine interest in Royal Mail working well, so those statistics ought to be available to somebody outside Royal Mail management.

Mr. McFadden: I certainly agree that we have an interest in Royal Mail working well. As I have set out, I am not going to get into second-guessing the disciplinary procedures inside individual sorting offices. If there are things that the hon. Gentleman wants to write to me about so that I can pass them on to Royal Mail, I will be happy to do that. However, I want to be honest with the House and honest with the hon. Gentleman: it is for Royal Mail and its work force to work through the issues, because they are responsible for the day-to-day running of the company. I have nothing more to add at this point, but I agree with him that it is in all our long-term interests for industrial relations to be on a better footing in future than they have been in recent years.

Question put and agreed to.

10.27 pm

House adjourned.

House of Commons

Tuesday 26 January 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked—

Business Rate Revaluation

1. **Chloe Smith** (Norwich, North) (Con): Which types of business he expects to experience the highest increase in rateable values as a result of the April 2010 business rate revaluation. [312948]

The Secretary of State for Communities and Local Government (Mr. John Denham): Business rates revaluation is carried out by the Valuation Office Agency, which is independent of Ministers. It will not raise a single extra penny for Government. Oil and gas producing properties, power generators and major sports clubs that have improved their trading position or invested significantly in their grounds are expected to see the largest increases in average rateable values. When the occupier of a property is a charity—for example, in the case of lifeboat stations—and might also see large increases, that occupier is protected by a mandatory 80 per cent. relief from business rates on any property that is occupied for charitable purposes. Local authorities may increase that relief to 100 per cent.

Chloe Smith: Local business know best how to create local growth, yet pubs and independent petrol stations in my constituency feel that RV rules are rigid, out of date and wrong. Does the Secretary of State not agree with the Labour Local Government Association group that business rates should be localised?

Mr. Denham: The hon. Lady raises questions about how valuations are carried out. I would be very interested to learn from her or from the Opposition whether they agree with me that having a valuation office that takes decisions on rateable values independent of Ministers or local councillors is the better way to do it. I would certainly resist any proposals that the rateable values of businesses in her constituency or mine be set at the whim of local councillors.

Mr. Eric Illsley (Barnsley, Central) (Lab): Independent petrol station retailers in my constituency are also facing huge increases in their business rates from 1 April. Although I agree with the need for an independent valuer, there appears to be no right of appeal against these revaluations until they are put in place from 1 April. Will my right hon. Friend look at that again and provide some form of redress for these retailers?

Mr. Denham: There is a right of appeal. What is more, I draw my hon. Friend's attention to the £2 billion transitional scheme that has been put in place. It is always the case, every five years, that the independent revaluation of business rates produces winners and losers. That is why we have a transitional relief scheme that means that the impact on rates bills can be no more than 11 per cent. next year and just 3.5 per cent. for small businesses. There is protection alongside the ability to appeal that my hon. Friend seeks.

Justine Greening (Putney) (Con): The Secretary of State faces a very clear choice over the 2010 revaluation: he can either ditch it and allow all business properties to enjoy a small inflation-based decrease in property rates or push ahead with it, which will mean that four out of 10 business properties will see a rates rise. Many of those properties will belong to companies that struggled to survive the recession. What is more important and what is fairer—sticking with the revaluation or supporting these companies?

Mr. Denham: I am surprised if that is the position of those on the Opposition Front Bench—the hon. Lady is proposing to impose a rates increase on the 60 per cent. of businesses in this country that are set to have a rates reduction. I think that that policy should be much more widely known. Those businesses that expect to see their rates bills fall and to be helped in a recession will be amazed to find that the Opposition are proposing a rates increase.

Paddy Tipping (Sherwood) (Lab): Will the Secretary of State consider the position of the composting industry? Higher environmental standards have meant more indoor composting and therefore more buildings. Is there not a case for switching the valuation to one that is similar to the system for landfill sites, whereby valuation is based on tonnage rather than property?

Mr. Denham: I hear what my hon. Friend is saying, but I repeat to the House the point that I made earlier. There is a real choice for the House as a whole: either the Valuation Office Agency acts independently of Ministers—there is considerable case law over 100 years for how rateable values are to be established—or we move to a system whereby, with respect, the relatively micro-level choices that my hon. Friend sets out become decisions for Ministers. I think we would be worse off if the system of determining rateable values were handed to political ministerial control. With all the ups and downs of it and all the problems that arise with every revaluation, we are better off with an independent system than we would be if we brought the system under ministerial control.

Mr. Speaker: I call Michael Fabricant.

Michael Fabricant (Lichfield) (Con): I am here today, Mr. Speaker.

Garden Development

2. **Michael Fabricant** (Lichfield) (Con): What representations he has received from local authorities on the outcome of his Department's review of garden and infill development; and if he will make a statement. [312949]

8. **Mr. David S. Borrow** (South Ribble) (Lab): What recent discussions he has had with local authority representatives on steps to reduce the level of infill development of gardens. [312955]

The Minister for Housing (John Healey): The Government have received no representations to date from local authorities on the outcomes of the review that I announced on 19 January.

Michael Fabricant: Does the Minister accept that many local councils feel that planning policy statement 3 is just not working when it comes to garden grabbing? Is he aware that councils such as Lichfield find that the city is changing shape simply by virtue of the fact that lovely open areas and big gardens are being redeveloped? What changes can he make to PPS3 to stop this unhelpful practice?

John Healey: I do not accept that and, more importantly, the independent research from Kingston university that I published on Tuesday last week did not accept it. I will send the hon. Gentleman a copy of the report, because it confirms that the problem is not widespread or national, and that local authorities already have the power to take steps to prevent development on garden land, if they choose. They are also able to reinforce their position if the matter goes to appeal.

Mr. Borrow: For some months now, I have been working with Susan Fox from Longton in my constituency who has been campaigning against inappropriate developments in gardens and infill plots in her village. I have always told her that it is up to the Tory council in South Ribble to determine what happens, and she was planning to ask me to present a petition to Parliament. May I ask my right hon. Friend to restate the fact that the Tories on South Ribble council could, if they got their act together, put in place a planning policy to deal with the issue? There is no reason to blame the Government.

John Healey: Indeed, and my hon. Friend may want to send the council copies of my statement to the House last Tuesday and of the Kingston university report. He may also want to draw attention to the fact that I have made it clearer in PPS3 that there is no presumption that previously developed land such as garden land will be appropriate for development. It therefore rests with local authorities to put in place a proper local plan that can cover concerns about garden land. It is for them to make the decisions, and to protect people against unwelcome development.

Sandra Gidley (Romsey) (LD): Infill is a problem, but so too is the situation in which a builder buys three or four houses with large gardens and replaces them with 30 to 40 flats, as has happened in Bassett in the Southampton part of my constituency. Local development plans have no influence, especially when it comes to appeals, so what can the Government do to protect areas against having their character ruined?

John Healey: The hon. Lady is wrong on two counts. The independent research by the university confirms that, in four out of five cases, the planning inspectorate backs the local authority on appeal. It also says that local authorities are in a stronger position if they have in place their own local plan covering garden land. If the developer has gone ahead in the way that she describes, that is because the council has not put in place what it could and should have put in place.

Mrs. Ann Cryer (Keighley) (Lab): Is my right hon. Friend aware that there is a degree of bullying going on in areas such as the Bradford district? A person buys a detached house with a very large and sometimes beautiful garden but the neighbours object at the planning stage and so permission is refused. The owner of the house then allows it to go to wrack and ruin—I know two houses that are in a deplorable state—in the hope that the neighbours will then beg the local authority to give planning permission for the development to get rid of the eyesore that they have had wished on them.

John Healey: The problem that my hon. Friend describes is slightly different from the one we studied in the research report. Local authorities have some fall-back powers to deal with extreme cases of the sort that she has described. If she would like me to, I shall write to her with details of those powers.

Mrs. Caroline Spelman (Meriden) (Con): The Minister is simply in denial about how his policies give a green light for garden grabbing. Does he agree with the assertion that

"national planning policy guidance has made it difficult to resist development proposals on garden land, even where there is a detrimental impact on local character, and that this imbalance needs to be rectified"?

They are not my words, but those of the Secretary of State's own council.

John Healey: I know that the hon. Lady and some of her hon. Friends have pressed this case very hard over the past couple of years, but the research and the facts do not bear out her assertion or her concerns. This is a problem in some areas, but they are clearly in the minority. It is also clear, as the report confirms, that councils have the powers to deal with such matters where they present a problem for neighbours and are unwelcome in the local area.

Mrs. Spelman: Why cannot Ministers just admit that the blight of garden grabbing is the fault of this Labour Government? The Government, not councils, made gardens count as brown field for planning purposes. Is it not time for change—time councils had proper powers to protect neighbourhoods from inappropriate developments?

John Healey: The hon. Lady is wrong again. The definition she takes issue with was set in 1985 and has not been changed since. It was reconfirmed in one of the Conservative Government's Green Papers and in planning guidance in 1988, and again in 1992. That is not the problem.

The problem, I am afraid to say, is councils that have the powers but will not accept the responsibility of taking the decisions to protect local people and defending those decisions on appeal. If they had proper local plans in place, their hand would be strengthened in doing so. The hon. Lady would do better to address her concerns to her own councils, which are falling far short of what local residents expect of them.

Mr. Lindsay Hoyle (Chorley) (Lab): There are a lot of crocodile tears from the Opposition about garden grabbing. May I give my right hon. Friend the facts on Chorley? In Lancaster lane, Whittle and Shaw Hill, garden grabbing has taken place. The first thing the Conservative council did when it was elected was lift the moratorium that gave protection in relation to all house building in the Chorley area. Does he not agree that it was duplicitous and wrong of the council to blame the Government, for it was the council itself that lifted the moratorium on house building?

John Healey: My hon. Friend makes an interesting point that illustrates precisely the general point that I am making: it is in the hands of local councils to decide local priorities, make local decisions and, in his case, demonstrate the difference in approach between a Labour and a Conservative local council in Chorley.

New Build (Migrants)

3. **Mr. Peter Bone** (Wellingborough) (Con): If he will estimate the proportion of houses to be built in the next five years which will be occupied by migrants. [312950]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Shahid Malik): We have no policy on the allocation of market housing, nor would that be appropriate. Foreign nationals who are eligible to apply for an allocation of social housing will have their housing needs considered against those of all other eligible applicants in accordance with the local housing authority's allocation scheme.

Mr. Bone: I am not sure whether the Minister answered the question I asked, but may I push it further? The House of Commons Library tells me that 30 per cent. of new houses will be occupied by migrants coming into this country. Does he agree that if the next Conservative Government limited immigration to this country each year, there would be less need for houses and less need for overdevelopment?

Mr. Malik: It is important that I make it clear, as it would be unfortunate to introduce race to the debate, which perhaps ought not to be introduced, that the overwhelming majority of household growth in this country over the next five years will be indigenously fuelled by increased fertility, increased life expectancy and more people than ever living alone.

Hugh Bayley (City of York) (Lab): I thank my right hon. Friend the Minister for Housing for coming to York at the weekend, and also the Government for providing funding for new council housing in York. What steps are the Government taking to ensure that their money for housing projects—whether for private developers or for housing associations or councils—provides apprenticeships in the local area in the building trades?

Mr. Malik: It is crucial that every development has some apprenticeships attached to it. As Thames Gateway Minister, that is something I have encouraged. I am incredibly proud of the fact that we have invested £2 billion in housing growth, which will lead to many apprenticeships. There is £1.5 billion extra funding to councils and housing associations, which will build some 15,500 new affordable homes, with all the apprenticeships that will go alongside them.

Interfaith Projects

4. **Mr. Parmjit Dhanda** (Gloucester) (Lab): What funds his Department has allocated to interfaith projects in the last five years; and if he will make a statement. [312951]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Shahid Malik): Between 2004-05 and 2007-08, my Department granted more than £5 million to interfaith projects through the faith communities capacity building fund. In 2008, under the stewardship of my hon. Friend when he was Under-Secretary of State, we published "Face to Face and Side by Side". Developed with faith communities, the document set out for the first time a national strategic framework for promoting interfaith activity, supported by some £7.5 million.

Mr. Dhanda: I welcome my hon. Friend's reply. Does he agree that although the fund for preventing violent extremism has over three years been about £70 million, the overall faith pot has been about £15 million? Some of the best anti-radicalisation projects are also interfaith projects. Does he agree that this might be a good time to move some of that PVE funding and use it for more interfaith projects, which does not stigmatise any community?

Mr. Malik: As ever, my hon. Friend makes a good point. A few months ago, my right hon. Friend the Secretary of State announced that another £7.5 million would be put out there to ensure a multi-faith approach to implementing the Prevent strategy. Projects that are PVE-focused do not have to go down the community cohesion route. It is pretty obvious that they ought to go down the Prevent route.

Mark Pritchard (The Wrekin) (Con): Freedom of religion is one of the pillars of our liberal democracy and society. Does the Minister share my concern about those people—a small minority in the Islamic faith—who condemn as apostates those who leave the Islamic faith, and threaten violence and physical retribution for their doing so?

Mr. Malik: That is the kind of question that does not require a response. Everybody in the House would agree with that 100 per cent. Hatred of any sort ought not to be tolerated, and anything that moves to the physical would be illegal as well.

Affordable Housing (London)

6. **Ms Karen Buck** (Regent's Park and Kensington, North) (Lab): What recent estimate he has made of the level of demand for affordable housing in London. [312953]

The Minister for Housing (John Healey): The Mayor of London and the London boroughs are required to assess demand for affordable housing in London. The Mayor's own figures show that about 18,200 new affordable homes are needed each year. I regret to say that his current plan proposes to build 5,000 fewer than that each year.

Ms Buck: As my right hon. Friend implies, demand for affordable homes to rent and buy hugely outstrips the level of provision in the Mayor's housing plan. Does my right hon. Friend share my astonishment that Boris Johnson has lifted the salary below which priority is given to people pitching for shared ownership schemes to roughly the equivalent of that of a Member of Parliament?

John Healey: I do. When almost two thirds of London households have a total income of less than £30,000 a year, and when we are ready, as we are, to help those people who otherwise could not get into the housing market for themselves, it seems strange to want to lift to that limit and spread the Government help more thinly. I see that as clearly the wrong priority for London and the wrong priority for Londoners.

Mr. Nicholas Soames (Mid-Sussex) (Con): Has the Minister had time to see the powerful report from the House of Lords Economic Affairs Committee, which calls for an assessment to be made by the Government of the impact of immigration on affordable housing and other housing, given the great pressure on demand? Has the right hon. Gentleman made such an assessment?

Mr. Speaker: Order. I know that the hon. Gentleman is referring specifically to London.

Mr. Soames: Yes.

John Healey: I recognise and pay tribute to the work that the hon. Gentleman does on these issues, which I know he follows closely. The short answer to his question is no, I have not studied that report. I would be interested to know whether the Lords Committee studied the changes that I made recently to the policy under which councils allocate council and housing association homes, because that makes it clear that migrants are not entitled to be on waiting lists in general, and it has given local authorities more leeway to allocate homes according to local pressures.

Clive Efford (Eltham) (Lab): Can my right hon. Friend explain to me why, when the wealthy and powerful suggest things like raising rents to market levels for council and housing association tenants, or taking away their secure tenancies, it is not seen as class war? Does it not amount to a loathing of council and housing association tenants on the part of the Tory party?

John Healey: Such discussions and plans demonstrate a lack of commitment to affordable housing to meet the needs of people who, in many cases, otherwise would not be able to afford to bring up their family and live in the private rented sector and never would be able to afford or maybe do not aspire to move into the housing market for themselves. The truth is that public housing in this country plays a critical role in the lives of many millions of people, including 8 million current tenants, and any plans to raise rents or reduce the security that they have in their own home will be met with justified alarm.

Housing Stock

7. **Simon Hughes** (North Southwark and Bermondsey) (LD): What his estimate is of the number of (a) new homes which will be built and (b) empty homes which will be brought into use in 2010. [312954]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): The Department does not publish forecasts for house building. We are committed to reducing the number of long-term empty homes. We have strengthened the powers of local authorities to deal with empty homes when owners have failed to act.

Simon Hughes: Would Ministers be sympathetic to the request from local councils—such as mine in Southwark, where 43 per cent. of homes are social housing and one third are council properties—to be able to restructure their debts, often on properties that no longer exist? In Southwark's case, the repayment figure comes to £43 million. If we are going to build more homes and refurbish homes, we need help so that we do not spend all our money paying off debts on homes that no longer exist.

Mr. Austin: That is exactly why we have published proposals to restructure council house finance debt, and I look forward to the Liberal Democrats' support for those proposals.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): Will my hon. Friend recognise that if we are to see housing numbers increase significantly, as we all wish, from the current difficult position, what is required above all is certainty and confidence in the future? That could be very seriously damaged by the ill thought out, uncosted and dangerous Opposition proposals for changes to the housing planning scheme.

Mr. Austin: My right hon. Friend, who is an expert on these issues and probably knows more about them— [Hon. Members: "Than you do."] He certainly knows more about them than I do, and I am not at all— *[Interruption.]* He knows a damn sight more than Opposition Members, who want to drag race and immigration into discussions about housing. Opposition Front Benchers would gain some credit if they were prepared to distance themselves from the attempts by their Back Benchers to drag immigration into discussions about housing numbers.

I can tell my right hon. Friend that we are building many more homes now than we would have been if we had taken the Opposition's advice and slashed spending this year and last, in the midst of a recession, because that would have strangled this recovery at birth.

Grant Shapps (Welwyn Hatfield) (Con): Does the Minister for Housing stand by his comments to the Fabian Society, when he said that it was time to give up on the dream of home ownership? Does that have anything to do with the fact that home ownership is falling under Labour, and that house building is at its lowest level since the second world war—with, incidentally, social affordable homes now being built in smaller numbers than under any previous Government? Does not this Government's appalling house building record mean that they have no choice but to abandon any lingering claim to be the party of aspiration?

Mr. Austin: I will send the hon. Gentleman a copy of my right hon. Friend's speech, because the hon. Gentleman has obviously not bothered to read it. In actual fact, there are almost 2 million more home owners now than there were in 1997, when the Government came to office. The Government have also overseen an increase in the supply of housing to almost 207,500 in 2007-08, which was the highest annual level of net housing supply in the past 30 years. As I said earlier, we are building many more homes now than we would have been if we had cut spending last year and this, in the midst of a recession, because that would have strangled the recovery at birth.

Sustainable Communities

9. **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): What assessment his Department has made of the 199 proposals shortlisted and sent to it by the Local Government Association under the provisions of the Sustainable Communities Act 2007. [312956]

The Secretary of State for Communities and Local Government (Mr. John Denham): The Government are currently assessing the 199 proposals shortlisted by the Local Government Association in its role as selector under the Sustainable Communities Act 2007. Many of the proposals are complex and raise significant practical issues, but I am anxious to make progress on those proposals that offer practical benefits and new ways of meeting local needs.

Dr. Starkey: Given that the latest statistics show that the recession is lifting, may I urge my right hon. Friend to prioritise those projects that propose local solutions to address the skills shortages in their locality? Local authorities know their own community best, and they are best able to deliver the solutions that are tailored to local need. That will help people to find jobs as the recession lifts.

Mr. Denham: That is a very practical suggestion from my hon. Friend, who, as Chair of the Communities and Local Government Committee, has taken a close interest in this Act. She is right; 199 proposals, each of which deserves proper consideration, represents a considerable work load for my Department. Her suggestion that we might look at the areas where we could move more quickly on issues of obvious priority and ability to deliver would be a sensible way for us to approach this big task.

Julia Goldsworthy (Falmouth and Camborne) (LD): Having listened to what the Secretary of State said, may I ask him to commit to a deadline for setting out his initial response to those proposals before the Easter recess, commit to a date for the next round of submissions, and support the Sustainable Communities Act 2007 (Amendment) Bill?

Mr. Denham: The hon. Lady listened to what I said but failed to comprehend it. Let me be perfectly clear. The process involved asking the LGA to shortlist proposals, and in the end it shortlisted two thirds of all those put forward. Under the Act, each of those proposals deserves proper consideration by my Department. The hon. Lady needs to understand that the proper consideration of 199 separate policy proposals, many of which would require changes to primary legislation, is not the sort of thing that can be done by a Minister just running down a list and saying, "I fancy that one", or "I don't fancy that one." I suggest to the hon. Lady that rather than having an artificial deadline, we need, as I said in response to my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey), to look at the proposals on which we can make progress and practical advances as quickly as possible. However, we will of course assess all the proposals that have been put forward, because that is what we are bound to do under the Act.

Julia Goldsworthy: It sounds suspiciously as though the Secretary of State is trying to kick this issue into the long grass beyond the general election. What is so disappointing about this is that this legislation is a real opportunity to engage people on how public money is spent and public services are delivered in their area. If he misses this opportunity, he will be wasting a lot of public good will. Ultimately, the Total Place pilot shows that only 5 per cent. of total public spending at a local level is discretionary to local authorities. If the Secretary of State believes in the localist agenda, will he put our money where his mouth is?

Mr. Denham: I recognise the opportunities provided by the Act and the proposals that have been submitted, and that is why I want to make progress on those that we have prioritised. The hon. Lady has to be realistic. Policy is not made on a whim, or in five minutes by saying, "I fancy that proposal." The LGA shortlisted far more proposals than anybody could reasonably have expected, and we now need to do the work that is required to assess them properly. Nobody would be more disappointed than those who put these proposals forward if they felt that they had been rejected simply in order to get a list out by the end of March. I think that we owe those people the respect of treating their proposals seriously and discussing them with the LGA, as we are required to do by law, but that may mean that it is not possible to do it by the end of March.

Alan Simpson (Nottingham, South) (Lab): One of the specific groups of amendments that has been tabled has come from areas most adversely affected by a prodigious growth in student houses in multiple occupation. In my own city of Nottingham, only 2,000 of a total of 7,000 houses in multiple occupation are covered by the current licensing regime, and many of those seeking to avoid it are in the process of converting sheds and garages into living accommodation, with or without removing the up-and-over garage door. Will the Secretary of State give specific consideration to extending the current licensing regime to cover all HMOs and require planning permission for new ones?

Mr. Speaker: Order. I am very grateful to the hon. Gentleman, but there is a developing tendency for the narrative to be longer than the question.

Mr. Denham: The short answer is that a number of the proposals received under the Sustainable Communities Act relate to policy discussions that the Government already have under way. On the particular issues to which my hon. Friend refers, I know that my right hon. Friend the Minister for Housing will want to make a statement in the near future.

Robert Neill (Bromley and Chislehurst) (Con): I hope that the Secretary of State accepts that the large number of schemes submitted under the Act demonstrates the degree of public appetite that there is for this. However, does he also accept that there remains disappointment that the original provision in the Act was watered down by the reduction in scope in relation to the spending reports? Will he therefore do what 116 of his own Back Benchers have already signalled in an early-day motion and support the Sustainable Communities Act 2007 (Amendment) Bill promoted by my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) when it comes up for debate on 26 February?

Mr. Denham: We are looking at the issues raised by that Bill, and I believe that the Sustainable Communities Act is now part of the architecture of local government. Aside from party politics, I hope that the House will take me seriously when I say that some issues to do with the process have been brought to light by where we are at the moment, and we need to get them right in future to ensure that we have a cost-effective and efficient way of assessing realistic proposals. If we can do that, I see no reason why the Act will not form a permanent part of the local-national relationship in this country.

Home Information Packs

10. **Mr. David Amess** (Southend, West) (Con): What methodology his Department plans to use to evaluate the effectiveness of the home information pack programme; and if he will make a statement. [312957]

13. **Mr. Andrew Mackay** (Bracknell) (Con): What methodology his Department plans to use to evaluate the effectiveness of the home information pack programme; and if he will make a statement. [312960]

16. **Mr. David Jones** (Clwyd, West) (Con): What methodology his Department plans to use to evaluate the effectiveness of the home information pack programme; and if he will make a statement. [312963]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): As my right hon. Friend the Minister for Housing said in response to a written question from the hon. Member for Welwyn Hatfield (Grant Shapps), we intend to evaluate the effectiveness of HIPs by updating the HIP baseline research report, which was published in January 2007. A copy of that report is available on the DCLG website.

Mr. Amess: Whatever methodology the Department intends to use, is the Minister aware that Southend estate agents, without exception, believe that although HIPs may have been introduced with the best of intentions, in practice they have not worked out at all well and have damaged the housing market?

Mr. Austin: I do not accept that at all. Despite a difficult housing market, evidence shows that HIPs actually speed up sales. I am not sure whether there is a branch of Connells estate agency in the hon. Gentleman's constituency, but its survey of more than 37,000 transactions showed that sales with HIPs go through an average of seven days quicker.

Mr. Mackay: Why is the Minister in total denial? Nobody whatever thinks that HIPs work, and it would be sensible for the Government to knock them on the head before the election rather than have that albatross around their neck. For our part we are delighted that they are not doing so, but it is in his interests that he should.

Mr. Austin: As always, I am very grateful for the right hon. Gentleman's advice, but I can tell him that thousands of jobs and hundreds of small businesses depend on the HIP process and 13,000 people have invested thousands of pounds in training as energy assessors. The Opposition need to explain why they want to put all those jobs and businesses at risk. He needs to tell all the people in his constituency whose livelihoods depend on the process why the Opposition want to put them out of work.

Mr. David Jones: The interim results of the updated baseline research report are not due to be published until this summer at the earliest. Given that no empirical evidence is therefore available to the Government about the impact of HIPs on the current housing market, why do they not listen to bodies such as the Law Society, which has said clearly that HIPs

"add a significant layer of costs for consumers but produce no discernable benefit"?

Mr. Austin: As a result of HIPs, more than 2 million home owners now have an energy assessment and recommendations in their energy performance certificate that can help them cut their fuel bills by hundreds of pounds and reduce carbon emissions. That is just one of the many benefits of the HIP process that we have introduced. I thought that tackling climate change was one of the big priorities for the new, modern Conservative party. So much, I suppose, for voting blue to go green.

Rob Marris (Wolverhampton, South-West) (Lab): I have to tell my hon. Friend that as a member of the Law Society of England and Wales, I tend to agree with it. We have to have energy performance certificates under European Union law anyway, and we would have the jobs because of that. Does he really think that for most people, a cost of more than £500 to save an average of seven days, according to the Connells survey, is money well spent? A lot of my constituents do not.

Mr. Austin: Obviously, I am very grateful to my constituency neighbour for his intervention on this issue. He is a great man, he really is.

The recent Office of Fair Trading consumer research on the HIP process showed that a third of buyers were influenced by the HIP and that they had found the new property information questionnaire the most useful

component of it. As I said earlier, Connells estate agents surveyed 37,000 transactions and showed that HIPs sped up the process, which is good news.

Mr. Stewart Jackson (Peterborough) (Con): Parliamentary questions have compelled Ministers to publish opinion research on HIPs done at a cost of £60,000. The survey of 4,000 buyers, sellers and estate agents showed, among other things, that there was minimal public knowledge of and interest in HIPs, that people considered them a waste of time, that buyers were not consulting them and that costs were being duplicated. When will the Government admit that their £500 million experiment has been a disaster, listen to consumers and scrap this discredited scheme?

Mr. Austin: As I said a short while ago, what the research actually shows is that in a short period, nine out of 10 buyers used the HIP. One in three said that it helped them decide which home to buy, which is a big improvement on the figures shortly after the introduction of HIPs, and shows that the system is becoming more helpful and useful all the time. The question that the hon. Gentleman and other Conservative Front Benchers must answer is why they want to sling out of work the thousands of people who have invested time and money in training to implement the process, and to cut the jobs of their constituents who depend on it.

Social Housing (Security of Tenure)

11. **Mr. Clive Betts** (Sheffield, Attercliffe) (Lab): What recent assessment he has made of security of tenure for social housing tenants; and if he will make a statement. [312958]

The Minister for Housing (John Healey): Low-cost, long-term tenancies are the foundation for the lives of millions of social tenants, and we are committed to safeguarding that security.

Mr. Betts: Would my right hon. Friend like to offer reassurance to members of the Westfield tenants and residents association, who are somewhat alarmed to see comments made by the chief executive of the Tenants Services Authority, who said that in future, tenants in areas of high demand might lose that security? If so, will my right hon. Friend completely dissociate himself from the comments of the leader of Hammersmith and Fulham council, who said that one problem with social housing was that it was hard to get rid of these people?

John Healey: The comments that my hon. Friend attributes to the leader of Hammersmith and Fulham council are very revealing—they reveal a deeply held prejudice against people in public housing. As for the comments of the chief executive of the Tenants Services Authority, it would be worth while for my hon. Friend to reassure residents in his constituency that matters of policy concerning the security of people's tenure are for the Government, not the TSA chief executive.

Bob Spink (Castle Point) (Ind): Will the Minister be supporting the excellent Mortgage Repossessions (Protection of Tenants Etc.) Bill, sponsored by the hon. Member for Bolton, South-East (Dr. Iddon), on Second Reading?

John Healey: Yes, it is an excellent Bill and I will give it every support I can.

Waste Treatment Plants

12. **Natascha Engel** (North-East Derbyshire) (Lab): What guidance his Department provides to planning authorities on dealing with contested applications for development of waste treatment plants. [312959]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): General guidance on handling all planning applications is set out in our 2004 statement on general principles for the planning system. This reminds local planning authorities that they should determine each application in line with the development plan, unless material considerations indicate otherwise.

Natascha Engel: I thank my hon. Friend for that answer, but can his Department do anything further to ensure that planning authorities such as Derbyshire county council, which is now Tory-run, do not drag their feet when faced with difficult planning decisions, because that results in hundreds of people putting their lives on hold to campaign against, for example, an incinerator application?

Mr. Austin: I visited my hon. Friend's constituency and I know what a fantastic local MP she is in representing her constituents. She will understand, I hope, that I cannot comment on the specific proposal that her constituents are concerned about, but I can tell her that we wrote to Derbyshire county council last October to ask it to get a move on with delivering its waste plan.

Mr. Gary Streeter (South-West Devon) (Con): Does the Department's guidance suggest that it is sensible to place a large energy-for-waste plant in an attractive rural area, clogging up local roads and causing all kinds of highway issues? If not, will the Minister encourage Devon county council to throw out the Viridor scheme for Lee Mill in my constituency?

Mr. Austin: The guidance shows that waste planning authorities should identify suitable locations for waste facilities in their local plans, and in doing so take into account our planning policies for waste.

Green Belt

14. **Anne Milton** (Guildford) (Con): Which regional spatial strategies contain proposals for review of green belt designations. [312961]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Shahid Malik): All regional strategies, except that for the north-east, contain some targeted proposals for review of green belt boundaries in their respective regions. The purpose of the regional strategy is to consider where development should take place in the most sustainable way possible. Reviews of green belt are undertaken by local authorities, and the decision on whether to make changes is theirs. We remain absolutely committed to maintaining the area of green belt at its 2007 level, and to saying that changes to parts of the green belt should take place only in exceptional circumstances.

Anne Milton: Following Guildford borough council's judicial review of the south-east plan, what plans does the Minister have to remove the designation in that plan to build on the green belt in Guildford, in the light of the Prime Minister's promise to protect the green belt? He has let the country down and he has let Guildford down.

Mr. Malik: I reject the latter point completely. The fact is that there are an extra 34,000 hectares of green belt land in this country because of this Government. I accept that the application of the sustainability appraisal process in relation to Guildford was flawed, and negotiations are going on between the Government and the litigants, so it would not be appropriate for me to comment on the matter any further.

Local Government Decision Making

15. **Ms Angela C. Smith** (Sheffield, Hillsborough) (Lab): What his policy is on the devolution of responsibility for decision making from central to local government. [312962]

The Minister for Regional Economic Development and Co-ordination (Ms Rosie Winterton): Over the past decade, local authorities have gained significant powers, responsibilities and financial freedoms from central Government to enable devolution of decision making to local communities.

Ms Smith: On 11 January the Government formalised and made available to local government new powers in relation to bus services which complement the concessionary bus pass scheme. Does my right hon. Friend agree that it would be perverse for a future Government who profess to believe in devolution to repeal those powers, which have been warmly welcomed by local government?

Ms Winterton: My hon. Friend makes an important point. As the Minister who took the relevant Bill through the House, I know that Conservative Front Benchers opposed it—it is an important Bill that gives powers to local authorities to gain greater control over bus services—despite the fact that Conservative councillors wrote to the hon. Member for Meriden (Mrs. Spelman) and said that it was about time that she and her colleagues listened to what councillors were saying about the importance of bus services to local communities. The Opposition have also said that they would abolish quality contracts, which would be a kick in the teeth to councillors who want to ensure that they have good bus services for local people.

Mr. John Redwood (Wokingham) (Con): Is the Minister aware that her top-down planning policies mean that places such as Wokingham have to build on floodplain, leading to flooding of adjacent dwellings, because they are instructed to do so when they would not otherwise dream of it?

Ms Winterton: Considerable guidance is in place on building and floodplains. As the right hon. Gentleman will know, that guidance applies at various levels. It is important that councils are able to take decisions according to the situation that they face locally.

Topical Questions

T1. [312973] **Mr. David Heathcoat-Amory** (Wells) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Communities and Local Government (Mr. John Denham): My Department continues to work to create prosperous, resilient and cohesive communities. Today's growth estimate demonstrates that we have been right to support families in the economy through the downturn. We had a plan for the recession and we have a plan for the recovery. Stepping up help for people to stay in their homes, the transformation of front-line services through initiatives such as Total Place, the opening up of local services and public data, extending scrutiny powers and the slashing of red tape all play a vital role in driving growth.

Mr. Heathcoat-Amory: What about light pollution? Does the Department realise that excessive lighting not only blocks out the night sky, but is fantastically wasteful of energy? Will the Minister review the planning policy statements with a view to cutting out excessive lighting pollution and nuisance?

Mr. Denham: I looked along the Front Bench hoping to see one of the ministerial team thrusting themselves forward, but in the absence of that I acknowledge the importance of the point that the right hon. Gentleman makes. I welcome the recent announcement of the light pollution-free park in Scotland, and I will write to him with an update on the current planning powers on this issue.

T2. [312974] **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): The Government have introduced a helpful package of measures to protect homeowners against repossession, and the Minister recently announced some additional measures to be rolled out, including in Milton Keynes. Can he give a little more information about the proposals for my constituency, which I think are being undertaken in conjunction with the citizens advice bureau?

The Minister for Housing (John Healey): I can, Mr. Speaker. My hon. Friend is right. The range of measures that we have put in place essentially to help people to stay where they should be during a recession—in their own homes—has led to 333,000 families getting help or advice from the Government in the past year. The initiative in her area is a combination of extra press and radio advertising, and in some areas face-to-face advice events to ensure that people know what help is available and are encouraged to take it up. We know that if people bury their heads in the sand, their homes and futures are much more at risk.

T4. [312976] **Mr. Edward Timpson** (Crewe and Nantwich) (Con): The Labour charter trustees in Crewe have recently voted to increase their part of the council tax bill by 122 per cent. Will the Government's proposed council tax revaluation make many of my constituents' council tax bills even higher?

The Minister for Regional Economic Development and Co-ordination (Ms Rosie Winterton): The council tax revaluations are obviously required by statute and

undertaken by an independent body. In addition, we have made available a £2 billion transitional relief scheme for revaluation to assist where there are higher increases.

T3. [312975] **Mr. Lindsay Hoyle** (Chorley) (Lab): Hard-working families in Chorley and across the country are struggling to pay their council tax bills, and it would only be right to look for a zero increase in council tax. Can we ensure that no time bombs have been built into authorities by miscalculations and playing around with the budgets wrongly, and does the Secretary of State have a view on this?

Mr. Denham: It has been suggested that there should be a two-year council tax freeze funded by central Government, but I have to say to my hon. Friend that the cost of such a policy would be £1,970 million in the first two years. Those who promise it cannot say how they will pay for it or when it would start. Even on their own dodgy, unrealistic and out-of-date figures, there is a £470 million hole in the Opposition plans.

T5. [312977] **Mr. Andrew Pelling** (Croydon, Central) (Ind): Last night, at a meeting of Croydon council, in response to four questions from independent members of the public and independent councillor, Councillor Cakebread, the council was unable to say how much remuneration councillors received outside their council employment and how many hours they worked. Given that Croydon has the highest basic rate of pay for councillors, will the Government give guidance to councils advising that when there are cuts to services they should make similar cuts to councillors' salaries?

Mr. Denham: The remuneration of councillors is fully devolved to local authorities. Many have independent review mechanisms, rather than allowing the decision to be taken entirely by members. The hon. Gentleman makes the valuable point that, at a time when it is important to use every taxpayer pound as effectively and efficiently as possible, those authorities with particularly high levels of councillor remuneration may need to consider their policies.

T10. [312982] **Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): Further to the Secretary of State's visit to Blackpool, when I and my hon. Friend the Member for Blackpool, South (Mr. Marsden) had an opportunity to show him much of the regeneration taking place in the town, has he had an opportunity to consider what role his Department can play in the exciting plans for Blackpool council to take over the winter gardens and tower as part of that regeneration strategy?

Ms Rosie Winterton: I know of the support that my hon. Friend has given to this project, which I understand is being looked at jointly with the regional development agency and the Department for Transport. It is an exciting project, and such regeneration is important. It is another example of the Government and local councils understanding that, in times of economic difficulties, it is important to intervene in such areas—unlike the approach of the Conservative party.

T6. [312978] **Andrew Stunell** (Hazel Grove) (LD): Can the Secretary of State tell the House when he intends to comply with section 6 of the Sustainable and Secure Buildings Act 2004 and place before the House his statutory report, which is now 13 months overdue?

John Healey: I cannot tell the hon. Gentleman that, but I will write to him, and then I will tell him.

Mrs. Linda Riordan (Halifax) (Lab/Co-op): I thank the Minister for visiting my constituency last week and seeing for himself the Ridings school site, which the Tory council plans to demolish, against local wishes. Will he join me in sending a clear message to Calderdale council that such sites should not be demolished or sold off just to make a quick buck, but put to community use?

Mr. Denham: I was delighted to visit my hon. Friend's constituency last week. I was particularly interested in the project to transfer control of the former Ridings school to a community trust in some form. She knows from our discussions that I undertook exactly that exercise in my constituency back in the mid-1980s, taking over a former secondary school so that it could be run as a social enterprise by the local community. I am pleased to say that my Department's asset transfer unit stands ready to provide support to local people, with business plans and guidance. I hope that her council is prepared to listen to the exciting ideas that local people have and that it can make them a reality.

T7. [312979] **Angela Watkinson** (Upminster) (Con): Local authorities up and down the country send out Criminal Records Bureau disclosure forms to anyone who wants to work in a school or old people's home. How effective does the Minister think those forms are, given that they contain 66 questions of quite a detailed personal nature, including on personal bank details? No. 66 is "Do you have any unspent criminal convictions?" What confidence can we have that any unsuitable person—

Mr. Speaker: Order. I am extremely grateful to the hon. Lady. I think that I counted two and a half questions, but we will have a reply now from the Minister.

Ms Rosie Winterton: It is extremely important that proper checks are carried out. I know that there is ongoing monitoring of the effectiveness of the checks that are carried out and the systems that are adopted. I am not completely sure about the hon. Lady's point about unspent criminal convictions, but in general it is vital that proper checks are carried out, and we should all contribute to the debate about how we improve that. If she has any ideas on where specific changes should be made, I suggest that she contact the appropriate Department.

Phil Wilson (Sedgefield) (Lab): In Sedgefield there are many properties let out by private landlords, but a significant number are empty at any one time. Can my right hon. Friend tell me what progress we are making towards a national registration scheme for private landlords, to try to get rid of some of the rogue landlords in our communities?

John Healey: The proposal for a national register of private landlords is only one of those that we are looking at to try to tighten up the activities of the worst landlords, who give the tenants to whom they rent their properties a bad standard of housing and service. The private rented sector is important to many people in this country, but it is our duty as a Government to ensure that the very worst landlords are stamped out.

Mr. Paul Burstow (Sutton and Cheam) (LD): Earlier, the Minister for Housing told the House that when local authorities decide to reject permission for infill and back garden land developments, they win in four out of five cases. However, does he not understand that councils tend to act defensively, granting permission because they feel compelled to do so by Government policy, as a consequence of which cases never get to appeal? Will he therefore give my constituents in Sutton and Cheam, Worcester Park, the assurance that his announcement last week really does afford them the protection that they want from predatory developments?

John Healey: It does, and it is in the hands of the hon. Gentleman's council to provide that protection for itself against appeal and, more importantly, for residents against unwelcome developments. If his council is falling back on Government guidance, it is failing to put in a place a local plan for policies that suit the area of Sutton. That is the council's responsibility. The report that I published last week confirms on the basis of the research that where councils do that, they are in stronger position to protect local residents and deal with any appeals that might crop up.

Andrew Mackinlay (Thurrock) (Lab): Can I tell the Secretary of State that one of the hallmarks of this Government, whom I have been proud to support over 11 years, is also a downside: their obsession with reorganising that which they have reorganised? They insist on putting in layers of bureaucracy where they are not necessary. Can I urge him to stop putting the Thames Gateway development corporation under the Homes and Communities Agency? It is unnecessary and will cause bureaucratic inertia.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Shahid Malik): I fully understand and respect my hon. Friend's concerns. The decision was taken after much consultation with all the stakeholders, and we have come to a consensus that we genuinely believe is in the best interests of the Thames Gateway, of the staff involved, and of regeneration in that area.

T9. [312981] **Mark Pritchard** (The Wrekin) (Con): Violent extremism needs to be tackled in all communities, including those who want to curtail freedom of religion, despite the protestations of the Minister for the West Midlands. Does the Secretary of State believe that the Government's current policy on preventing violent extremism is working?

Mr. Denham: Yes. We need to accept that the task of strengthening the ability to resist the ideas of al-Qaeda-type extremists that are targeted at young people is something that we will have to sustain and develop. Looking back over the first two years of the Prevent programme, we are seeing an increasingly rich range of local initiatives up and down the country, all of which have as their outcome the idea that it is less likely that a young person in this country will get drawn into support for that kind of violent extremism. I believe that our programme, which we are developing all the time, is on the right lines. We continue to learn from best practice across the country and to strengthen the programme month by month.

Mr. Andy Reed (Loughborough) (Lab/Co-op): The Minister will be aware that campaigners in areas of high student occupation, particularly in houses in multiple occupation, are looking forward to the Government's announcement on use classes orders. When can we expect that announcement?

John Healey: Soon.

Mr. Oliver Heald (North-East Hertfordshire) (Con): When Ministers set out new requirements for local councils in the field of information technology that involve the roll-out of new software, what account do they take of the effect on small district councils that have to hire consultants and spend hundreds of thousands of pounds as a consequence? Are these wise decisions to make in the middle of a recession, given their effect on hard-pressed taxpayers?

Mr. Speaker: Quite cheekily, the hon. Gentleman got a second question in at the end.

Mr. Denham: The Government's approach to making the vast amount of data currently held by local authorities more freely available on the web in real time is crucial to the efficiency and accountability of local services. I would say to the smaller district councils, which defend their role vigorously, that they need to face the fact that they are going to have to share services and work collaboratively with other small district councils, in order to show that the autonomy that they value does not come at an unacceptably high cost to local taxpayers. They will have to deal with such issues by working with others to achieve the cost-effectiveness that everyone wants.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): Despite the Government's very good track record on supporting rough sleepers, I am alarmed at the number of people in London who are on waiting lists to get into a hostel, and at the number in my own constituency who seem to be in a constant circle of finding supported housing and then going back to rough sleeping. Can the Minister please tell me what further work is being done to alleviate the situation? Perhaps we could have a meeting to discuss the matter.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): I would be very happy to meet my hon. Friend to discuss this matter. I have visited Stoke and met some of the organisations that provide services for homeless people, and I would be happy to go back to meet him and have a look at the problem in depth. I can tell him that, as a result of the record levels of investment that this Government have put in since 1997, however we calculate it, and by whatever measures we use, the numbers of rough sleepers have been cut dramatically—more than has ever been achieved in the past.

James Duddridge (Rochford and Southend, East) (Con): The Secretary of State has put forward an article 14 directive in relation to London Southend airport. It would be helpful to the local community if he could tell us roughly when he will make a decision on that matter, and whether there will be a need for a public inquiry. The sooner the better.

Mr. Denham: I understand the hon. Gentleman's comments, but he will understand why I cannot reply to his question this afternoon.

Several hon. Members *rose—*

Mr. Speaker: Order. I will come to points of order in a moment. I am sorry that a tiny number of colleagues missed out. My appetite for hearing colleagues' questions and Ministers' answers is insatiable, but I am afraid that we have to move on.

Points of Order

3.34 pm

David Davis (Haltemprice and Howden) (Con): On a point of order, Mr. Speaker. On 24 November last year, the right hon. Member for Kingston upon Hull, East (Mr. Prescott) used parliamentary privilege to say the following about the noble Lord Lawson of Blaby:

> "I just wondered who is financing this body that Lord Lawson is setting up. We tend to find that such bodies are funded by the oil and coal industry and people like that. So I had a look and found that the Central Europe Trust Ltd is the body that he has set up and his clients are Elf, Total, Shell, BP, Amoco, Texaco—that is a lot of oil companies. From what I can see of it, it is not so much a think-tank as a petrol tank."—[*Official Report*, 24 November 2009; Vol. 501, c. 426.]

That statement, while being surprisingly amusing for the right hon. Gentleman, is not correct. Indeed, if delivered outside the House, it would have been actionable. Lord Lawson has written to the right hon. Gentleman asking him to correct the record; he has not done so. If he had said that about any Member of this House, we would have been able to defend ourselves, in this House. That privilege is not available to a Member of the other place. I submit to you, Mr. Speaker, that the statement is a reflection on a Member of the other place, which is prohibited, except on a substantive motion, by the rule enunciated in "Erskine May", page 439. I ask you to rule on the matter.

Mr. Speaker: I am grateful to the right hon. Gentleman for giving notice that he intended to raise a point of order. What I would say to him at this stage is simply this: I am happy to examine the passage in the *Official Report* in the light of his reference to the rule about casting reflections on a Member of the other place. That I shall do.

Bob Spink (Castle Point) (Ind): On a point of order, Mr. Speaker. There must be an election on the way, as the courtesies normally applied in the House are not being observed by some hon. Members. The hon. Member for Meriden (Mrs. Spelman) visited my constituency to try to explain away why the Tory council wants to build hundreds of houses on our green belt and floodplain, but she did not inform me at all. She is the third senior Tory to do that. Do I smell panic?

Mr. Speaker: Something tells me that the hon. Gentleman seeks to entice or inveigle me into a debate. He knows that that is not a proper thing to do. On his point of order—*[Interruption.]* I am grateful to the hon. Member for Thurrock (Andrew Mackinlay) for his chuntering from a sedentary position, but if he would allow me to rule on the point of order, I should be pleased to do so.

Everybody in the House knows that there is a long-established, important and generally respected convention that one Member visiting the constituency of another Member on public business should do that other Member the courtesy of offering prior notification. That is all that needs to be said. In these competitive times, I hope that those courtesies will be observed, and that it will not be necessary for us continually to return to this point.

Mrs. Caroline Spelman (Meriden) (Con): On a point of order, Mr. Speaker. I visit many councils each week and, normally, I faithfully inform the Member concerned, as I am sure Members will testify. In this case, I appear to have made a genuine mistake, for which I apologise. I hope that the hon. Member for Castle Point (Bob Spink) will accept that apology.

Mr. Speaker: I am grateful to the hon. Lady for such a prompt and courteous reply. I have the impression that the hon. Member for Castle Point (Bob Spink) has noted and accepted it. A simple nod of the head will suffice.

Bob Spink *indicated assent.*

Mr. Speaker: I am grateful to the hon. Gentleman. The matter can rest there, and we can all now happily proceed in a constructive spirit.

Ambulance Response Times (Local Reporting)

Motion for leave to bring in a Bill (Standing Order No. 23)

3.38 pm

Mr. Edward Timpson (Crewe and Nantwich) (Con): I beg to move,

That leave be given to bring in a Bill to require ambulance services to provide more accessible and localised reports of ambulance response times; and for connected purposes.

I thank all those Members across the House who have sponsored the Bill. I am sure that they would wish to join me in recording our gratitude to all those who work on the front line of our ambulance services for their valiant and valuable work on our behalf.

My Bill would help to bring greater transparency and proper accountability to bear on the performance of ambulance services across England, in an effort to assist ambulance trusts and primary care trusts in addressing deficiencies and variability in their current service, and to improve outcomes for patients. The seeds of the Bill were metaphorically sown in the town of Nantwich in my constituency, almost two years ago. In the face of what were called "operational decisions" by the North West Ambulance Service to downgrade and deskill the service provided by community first responder volunteers in Nantwich, a local campaign erupted in opposition, not least because to the local community the value of community first responders in helping to reduce response times and save lives by plugging the gaps that mainstream operations were unable to fulfil was all too apparent. Two years on, the campaign continues apace, testament in no small part to the unstinting commitment to his local community demonstrated by Nantwich community first responder Gavin Palin and to the resolve of local councillors in fighting for a better service.

This drawn-out saga has also raised serious doubts about the current performance standards required of ambulance trusts across England as a proper measure of outcomes for patients. Following the review of ambulance performance standards in July 1996, the categorisation of calls according to clinical urgency was introduced, whereby category A calls—those deemed immediately life-threatening—should receive an emergency response within eight minutes in 75 per cent. of cases. Category B calls—those classed as serious but not immediately life threatening—should receive a 19-minute response in 95 per cent . of cases. Category C calls—those neither immediately life-threatening nor serious—should be met through locally determined standards. Given that the number of ambulance call-outs has risen by over 100 per cent. in the past 10 years to 7.48 million in 2008-09, we should recognise that the national performance targets are robust, but rightly so.

However, the 1996 review also recommended that those standards should be based on health authority rather than ambulance service areas, as that would mean that standards could be related to smaller areas. That recommendation was not implemented, and so we remain in a regional rather than local response time system of performance accountability, despite the fact that the number of ambulance service areas has been reduced from 37 in 1996 to just 13 today. The report went on to say that there was a risk that the needs of smaller localities within larger geographical areas could be neglected. That is exactly what has happened in my constituency and neighbouring constituencies in other parts of the north-west and beyond.

Regional targets are distorting and disguising enormous local variations within a region, where local performance can be patchy all the way through to grossly substandard. If we take response times for 2008-09, the percentage of category A incidents that resulted in an emergency response arriving at the scene within eight minutes in the north-west region was 74.3 per cent., just below the national standard. Yet when the data are broken down into more localised figures, the picture is very different. For Central and East Cheshire PCT—it serves my constituency—the percentage drops to 65.2 per cent. For the CW5 Nantwich postcode, it falls further to 52.1 per cent. For the CW3 Audlem postcode, which crosses the border into the constituency of my hon. Friend the Member for Eddisbury (Mr. O'Brien), the percentage is just 14.3 per cent. or fewer than one in five life-threatening cases.

Even taking into account the inherent geographical difficulty of reaching more rural areas than urban areas, those are unacceptable responses. Without extracting the information through freedom of information requests, as I have done, the public have no meaningful way of establishing how their local service is performing and, in turn, as set out in the 1996 report, local communities are not provided with the freedom to adapt forms of response to local services and patterns of service such as the community first responders whom we have in Nantwich.

Such locally focused information should not have to be made public through the costly FOI process. Regional figures are already published and the North West Ambulance Service was able to respond within 24 hours to my FOI request for local response times, based on the fact that it already holds the information on its database. A senior North West Ambulance Service manager has told me that this information is available at the push of a button, so let us see it published online, on a monthly basis, by primary care trust and postcode area, at minimum cost. Where the call targets are missed by a significant margin, let us have an explanation as to why. That is already provided in Wales, so that people can identify the gaps and fill them by improving the local service through partnerships between the public, the voluntary sector and the emergency services.

The North West Ambulance Service and its chief executive, Darren Hurrell, are starting to understand the benefits of that approach. In the likely event that this Bill does not become law, I therefore hope that these proposals will form part of the common practice across the North West Ambulance Service and the other 12 ambulance trusts in England. I recognise that response-time requirements are not enshrined in primary legislation, and this mechanism of introducing new requirements on ambulance services may not be the most adept way of achieving my aim. Indeed, I am also acutely aware that there is a question as to whether response targets are an effective measure of patient care and outcomes, as what matters for the patient is not just the speed of response, but what level of medical attention is received on arrival, in transit and in hospital, and the quality of after-care service. I accept that fully, but I hope that my Bill will begin to address the absence of

[Mr. Edward Timpson]

proper local accountability across the ambulance service and, in doing so, help to improve the outcomes for patients, wherever they happen to live. I commend this Bill to the House.

Question put and agreed to.

Ordered,

That Mr. Edward Timpson, Mike Penning, Mr. Stephen O'Brien, Graham Stringer, Mr. Ben Wallace, Geraldine Smith, Alistair Burt, Mr. Frank Field, Mr. Tobias Ellwood, Paul Rowen, James Duddriuge and Mr. Lindsay Hoyle present the Bill.

Mr. Edward Timpson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 12 March and to be printed (Bill 55).

Mr. Speaker: We come now to the programme motion, and I call Secretary Jack Straw to move it formally.

Mr. Dominic Grieve (Beaconsfield) (Con): On a point of order, Mr. Speaker. This is about the formal moving of the programme motion. Our understanding is that the programme motion appeared until very recently to be debatable, but at the last minute a new Order Paper seems to have appeared to explain that it is not debatable. I wonder whether it could be explained to the House why that is the case, because we would wish to debate it, in view of the fact that the Government have now changed the programming of this Bill on a number of occasions and we appear to be on a magical mystery tour without having any understanding of where we are going.

Mr. Speaker: I am grateful to the hon. and learned Gentleman for his point of order. My understanding is that under the Standing Orders the matter did not fall to be debated. What I can say to the hon. and learned Gentleman and, more widely, to the House is that the earlier Order Paper, of which he and others had sight and by which, therefore, inevitably, they were informed, was erroneous and the position was changed subsequently. *[Interruption.]* I am sure that the hon. Member for West Chelmsford (Mr. Burns) can understand the word "erroneous" and the concept embodied in it. *[Interruption.]* I need no further interruption from the hon. Gentleman, because I am responding to the point of order.

The hon. and learned Member for Beaconsfield (Mr. Grieve) and others were guided by the old Order Paper; it was erroneous and was replaced by another. I do not know whether Secretary Straw wishes to respond to the point of order, but I feel sure that I am about to discover whether he does. If he wants to respond, he can. No, he is not going to do so. *[Interruption.]* Order. The hon. and learned Member for Beaconsfield has raised his point of order. He has put his point very forcefully on the record.

Mr. John Gummer (Suffolk, Coastal) (Con) *rose—*

Mr. Speaker: I feel sure that the right hon. Gentleman has a different, unrelated point of order.

Mr. Gummer: Yes, Mr. Speaker, it is a wider point of order. The problem is that many Members of the House find the process extremely difficult to accept in any case. It would be helpful if the Government recognised that an explanation is owed to the whole House on matters of this kind.

Mr. Speaker: I am very grateful to the right hon. Gentleman for his further and wider point of order, which is now clearly on the record, and which will have been heard by Members on the Treasury Bench.

Constitutional Reform and Governance Bill (Programme) (No. 4)

Motion made, and Question put forthwith (Standing Order No. 83A(7)).

That the Order of 3 November 2009 in the last Session of Parliament (Constitutional Reform and Governance Bill (Programme) (No. 2)), as varied by the Order of 19 January 2010 (Constitutional Reform and Governance Bill (Programme) (No. 3)) be further varied as follows:

(1) in paragraph 2, for 'four days' there shall be substituted 'five days';

(2) in the Table, for the entry relating to the fourth day of Committee there shall be substituted:

TABLE

Proceedings	*Time for conclusion of proceedings*
Fourth day	
Clauses 29 and 30, Schedule 4, Clauses 31 to 34, new Clauses and new Schedules relating to Part 3 (except any new Clauses and new Schedules relating to the tax status of members of the House of Lords).	The moment of interruption on the fourth day.
Fifth day	
Remaining new Clauses and remaining new Schedules, Clauses 59 to 62, remaining proceedings on the Bill.	The moment of interruption on the fifth day.

—(Lyn Brown.)

The House divided: Ayes 264, Noes 212.

Division No. 58] **[3.51 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Flello, Mr. Robert
Flint, rh Caroline
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Hain, rh Mr. Peter
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hodge, rh Margaret
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad

Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Willis, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony

Tellers for the Ayes:
Mr. Bob Blizzard and Mrs. Sharon Hodgson

NOES

Afriyie, Adam
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Bottomley, Peter
Brake, Tom
Brazier, Mr. Julian
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Conway, Derek
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorries, Nadine
Duncan, Alan
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Main, Anne
Maples, Mr. John
Mason, John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Stephen Crabb and Jeremy Wright

Question accordingly agreed to.

Constitutional Reform and Governance Bill

[Relevant documents: Report of the Joint Committee on the Draft Constitutional Renewal Bill, Session 2007-08, HC 551-I and–II, and the Government response, Cm 7690. Tenth Report from the Public Administration Select Committee, Session 2007-08, on Constitutional Renewal: Draft Bill and White Paper, HC 499, and the Government response, Cm 7688. Fourth Report from the Joint Committee on Human Rights, on Legislative Scrutiny: Constitutional Reform and Governance Bill; Video Recordings Bill, HC 249.]

[4TH ALLOCATED DAY]

Further considered in Committee

[SIR ALAN HASELHURST *in the Chair*]

Clause 29

ENDING OF BY-ELECTIONS FOR HEREDITARY PEERS

4.4 pm

Question proposed, That the clause stand part of the Bill.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): This provision will remove by-elections for hereditary peers from the current arrangements for membership of the House of Lords.

Before I discuss the clause, it may be helpful, with your indulgence, Sir Alan, if I explain that the programme motion as it appeared on the Order Paper until this morning was deemed to be debatable. I understand that an error was made in the Table Office. The Government had no knowledge of that, but having seen that the motion was debatable, we assumed that it was indeed debatable and were prepared for it to be debated. I think the House knows very well that the Minister of State, Ministry of Justice, my right hon. Friend the Member for North Swindon (Mr. Wills), and I are always happy to debate.

I ought to say that this is the only occasion during a long period as a Member of the House that I have ever known an error to be made by the Table Office. It is just one of those things. Also, if I may say so, the Standing Order was passed in 1998 and confirmed in 2004. There is a separate debate to be had—it is open to the House to have it—about how and whether the system of programming should be changed.

Mr. David Heath (Somerton and Frome) (LD) *rose—*

Mr. Straw: If I may, I will leave it there because—

Mr. Heath: You said you wanted to debate it!

Mr. Straw: If I may—

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. I was indulgent to the Secretary of State because I thought the matter had been dealt with previously on a point of order in the House. I hope that the hon. Member for Somerton and Frome (Mr. Heath) will not press the matter too far.

Mr. Heath: Of course not, Sir Alan. I am grateful to the Lord Chancellor for giving way, and I accept entirely that this was a very rare error in the printed papers, but I also agree with him entirely that we should consider the matter, because it is anomalous that the House cannot decide its own programmes and order of business. We need to address that as a matter of urgency.

The Chairman: I hope that the Chairman of the Procedure Committee will take note of this exchange.

Mr. Straw: Thank you, Sir Alan. As I have said, the clause will end by-elections for hereditary peers. As existing hereditary peers pass away, they will not be replaced.

This is the background to the clause. Following the 1997 manifesto commitment, it was the Government's intention to end the hereditary principle altogether. Legislation was brought before Parliament in the 1998-99 Session. In the event, and following great debates in the other place, a deal was struck, and it was originally agreed that 90 hereditaries, who in turn would be elected by their own peers, would continue to be able to sit as Members of the House of Lords. It was also agreed that the Earl Marshal and the Lord Great Chamberlain would continue to sit ex officio, and nothing in the provisions—or, I may say, any other provisions—is about changing that. It is not an issue today.

Subsequently, during the debates, the provisions to continue with 90 hereditary peers were further amended so as to provide for those by-elections—the subject of the clause. It is well known, and I am sure that the hon. and learned Member for Beaconsfield (Mr. Grieve) will wish to remind us, that Lord Irvine said that this was an agreement and that it was for a transitional period to the next stage of reform. I paraphrase, but I think entirely accurately.

One issue that may arise is whether we are through that transitional period.

Mr. Dominic Grieve (Beaconsfield) (Con): Will the right hon. Gentleman give way?

Mr. Straw: Allow me to continue before I get on to the main—*[Interruption.]* No.

I wish to correct the noble Lord Steel, who was in that House at the time, I think, and who has taken a great interest in the matter. In the debates on his Bill, which contained provisions almost identical to these, he said:

"It was clearly indicated at that time that this"

the by-elections and the position with regard to hereditaries—

"was a temporary measure to last perhaps a couple of years. We are nearing the 10th anniversary of that temporary measure."—[*Official Report, House of Lords,* 27 February 2009; Vol. 708, c. 432.]

He went on to make a joke about celebrating 100 years of Asquith's commitment to remove the hereditaries.

Mr. Grieve: I am grateful to the Secretary of State for giving way. He may agree with me that whatever Lord Steel may say, the commitment that was given by Lord Irvine in clear and unequivocal terms—I shall quote only a small part of it—was that "the 10 per cent.", namely the remaining elected hereditaries,

"will go only when stage two has taken place. So it is a guarantee that it will take place."—[*Official Report, House of Lords,* 30 March 1999; Vol. 599, c. 207.]

[Mr. Grieve]

The right hon. Gentleman may agree that that and Lord Steel's comments are on two completely different topics. The temporary arrangement may have lasted a long time, but why should Lord Irvine's guarantee not remain good, seeing that stage 2 has not yet occurred?

Mr. Straw: I hope that I can convince the hon. and learned Gentleman why. We are not proposing in the Bill to end the right of the existing, albeit elected, hereditaries to sit in the Chamber. What we are proposing is in respect of by-elections. Some might argue that, after 10 years, we are very close to the second stage. I do not particularly take that point, because I want to come on to whether, 10 years on, it is sensible or acceptable in a modern democracy to continue with an utterly risible arrangement for election of hereditary peers with tiny constituencies.

I will also deal with the issue of party balance. I want to make it clear that, as those from other parties who have served with me on the cross-party working groups on the House of Lords will confirm, it is no part of the Government's intention to use this provision to worst the Conservative party, which has the largest number of hereditary peers, or to shift the long-standing and explicit agreement that there should be a cross-party balance in the House of Lords.

Mr. Andrew Tyrie (Chichester) (Con): A moment ago the Secretary of State described the by-elections arrangement as absurd. Does he not have even a twinge of embarrassment that his Government are responsible for devising it and then ensuring that it secured a majority in the House?

Mr. Straw: I do not think that even Lord Irvine would claim authorship of the arrangement, which was part of a deal that was struck. He agreed it—I remember it coming to Cabinet. In the end, we confirmed it in order to get the Bill through, but if the hon. Gentleman's only point is whether that was Government policy, he often enough suggests that it is time to revise Government policy. My suggestion is that, given the practice that has followed with these by-elections, it certainly is. I shall explain that in a moment.

Mr. Edward Leigh (Gainsborough) (Con): The Secretary of State has described the arrangement as utterly risible. Surely the whole point of creating, in his words, "an utterly risible arrangement" was that it would put pressure on future Governments to introduce fundamental reform. Once it is removed, there will be no pressure whatsoever. We will live with an appointed Chamber, perhaps for ever.

Mr. Straw: So that we understand what the Conservative party is seeking to defend, it is seeking to defend by-elections. There have been 10 in the past eight years, so we are not undertaking a huge reform. In any event, the other 90 hereditaries will remain until they pass away, and some of them are quite youthful, so it will take quite a long time before the grim reaper reduces the number or eliminates hereditaries altogether. Let us be clear about that.

The hon. Gentleman makes an important point. What has happened in the intervening 10 years? We set up a royal commission under the noble Lord Wakeham, which did great work but, itself, was relatively divided. My late friend, the former Foreign Secretary and Leader of the House, Robin Cook, as Leader of the House in February 2003 organised a debate and a series of votes on the future composition of the House of Lords, and those who were Members at the time will recall that every single proposition was defeated.

4.15 pm

When I went on the customary transition from Foreign Secretary to Leader of the House, a well trodden path, I was given by Tony Blair—as the then Prime Minister generously said to me—not one but two hospital passes in addition to the normal responsibilities: one was party funding and the other was House of Lords reform. Anyway, we got the cross-party group going, and one Green Paper was published. That culminated in our debates of March 2007, when for the first time ever the Commons, on free votes, came to some very clear decisions. It rejected an all-appointed second Chamber; it rejected any mixed proportion of appointed and elected peers, up to but excluding 80 per cent.; and it voted in favour, first, of an 80 per cent.-elected Chamber and then, by a bigger majority, in favour of a 100 per cent.-elected Chamber, which has been accepted as the policy of this House.

I reconvened the working party, and we produced in July 2008 a further White Paper, which drew on a great deal of work, including that of the Wakeham commission, about how Members would be elected, the terms that they would serve and so on. Quite shortly, I intend to publish what will amount to the basic contents of a Bill fully to reform the House of Lords. Those contents are currently being drafted, so a huge amount of work is being done on the matter.

Lembit Öpik (Montgomeryshire) (LD): I am very interested in what the right hon. Gentleman has just said. I understand that he has to tread carefully to preserve a consensus on constitutional reform, but I am surprised that he is willing to wait for the transitional arrangements to continue, effectively, until the last hereditary peer dies. Does that mean that the Government's policy is basically to shift responsibility for the transitional period from the Ministry of Justice to the grim reaper?

Mr. Straw: No. I understand why my words may have been interpreted in that way, but for the avoidance of doubt the hereditary peers would go when the new arrangements come in. Meanwhile, there is a glaring anomaly that we need to deal with.

Mr. David Winnick (Walsall, North) (Lab): Ending the membership of 90 per cent. of hereditary peers in the House of Lords is a remarkable achievement that no other radical Government have ever succeeded in doing, as we know, and the Government should accept the praise for what has been achieved. Leaving 10 per cent. of hereditary peers—92 in effect—in the House of Lords, sitting there only because they inherited their title, one of which goes back as I reminded the House two years ago, to the 13th century, however, is unfortunate and is clearly an anomaly. Many of us had hoped that the situation would not continue for so long.

Mr. Straw: I agree, and I thank my hon. Friend for his compliments, because he was a Member between 1966 and 1970, when Richard Crossman, the then Leader of the House, attempted a major reform of the House of Lords. That was scuppered by a cross-party alliance

between Enoch Powell, who was then a Conservative, and Michael Foot. That proposed reform was not very good; the one before us is much better.

Mr. John Gummer (Suffolk, Coastal) (Con) *rose—*

Mr. John Redwood (Wokingham) (Con) *rose—*

Mr. Straw: I shall give way to the two right hon. Gentlemen, but I want to make some progress before I do so—if they can hold themselves.

We suggest that the arrangements for these by-elections, and their results, are even less satisfactory than accepting the continuance of the existing 90 hereditaries. That is because those 90 could claim, and have claimed—I do not necessarily endorse this—some legitimacy because they were sitting there before and they were elected at the time as part of the deal. Ten years on, we have a ridiculous arrangement. It is worth taking the House through the circumstances of the 10 by-elections that have taken place. Of the two that involved the whole House, the first had 423 electors and the other had 348 electors. Since then, in all the rest, the total number of electors has been fewer than 50. The Conservatives usually manage about 50 electors, but they also usually manage between 30 and 45 candidates, which is absurd enough. *[Interruption.]* I am glad that the right hon. Member for Wokingham (Mr. Redwood) recognises how absurd this is, given a moment's examination.

When we come to the position of the Liberal Democrat party and the Labour party, it is utterly absurd that in the first election of a Labour peer following the death of Lord Milner there were 11 candidates, but—guess what?—only three electors. That makes Old Sarum appear to be a remarkably democratic arrangement. In the case of the Liberal Democrats in 2005, there were three candidates and only four electors. That is slightly better—30 per cent. better—than the Labour party could manage in terms of electors. However, is anyone seriously going to go out and argue on the stand publicly—

Mr. Leigh: That was the point of it.

Mr. Straw: No, that was not the point of it—the point was that it was necessary to get this through with some degree of consensus, as the hon. Member for Montgomeryshire (Lembit Öpik), who has now left his seat, has said; that is why people swallowed hard and accepted it. However, 10 years on, as the laughter from the Opposition Benches, including the Conservative Benches, acknowledges, this situation cannot continue.

Mr. Gummer: Does not this underline the fact that if we are to have reform, we should have wholesale reform, which is what we were presented with? I happen to be opposed to that, but that does not matter two hoots—what matters is that we take this matter seriously. It does not matter what the Justice Secretary says—everybody outside knows that this is a tiny bit of reform that is party politically driven and that he is trying to explain away. Why does he not have the honesty to come forward with a proper reform, so that we can vote on it properly?

Mr. Straw: I am sorry, but it is not party politically driven. I am astonished that the Conservatives are apparently working themselves up to oppose something that, judging by their facial expressions, no one believes in any sense to be the case. As a Conservative, the right hon. Gentleman, of all people, should recognise that we do not necessarily have to do everything all at once. As regards constitutional reform, I have never argued that we should do everything all at once. This is a reform that we can undertake now. It is in the interests of the Conservatives to accept this—it is not remotely party political—and they will get themselves into a ridiculous position if they do not. Then we will have made small progress towards the ultimate goal of full reform, to which we and the Liberal Democrats are completely committed, not only in principle but as a priority. I very much hope to hear from the hon. Member for Cambridge (David Howarth) that he is committed to that, too.

Mr. Redwood: We have had 12 years of a Labour Government with a big majority, but there has been no phase 2, because it has been too difficult. When does the Secretary of State believe there could conceivably be a phase 2, and what political circumstances would bring it about?

Mr. Straw: My belief is that there will be a phase 2 if we are re-elected at the next election, and there ought to be a phase 2 if any other party is. All three parties are signed up to the detailed proposals that were encapsulated in the White Paper that I published in the summer of 2008. There is some detail to which they are not signed up, as is made clear in the White Paper, but the basic principle of an 80 per cent. or 100 per cent. elected Chamber is in place, as is the detail of how it can be achieved. The relevant clauses, which are quite complicated, will be published. By the time of the election, the matter will have been the subject of four years of active work by all parties, officials and lawyers.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Some of us take a slightly different view. The Secretary of State has said that it was absolutely absurd to have hereditary peers, but to some of us it is absolutely absurd to have appointed peers as legislators.

Mr. Straw: The difference is that life peers are at least appointed on their own merit. Since the hon. Gentleman mentions the matter, let me deal with the provenance of some of the people who have been "elected" as hereditary peers in by-elections. Take, for example, the Earl of Stair. His is a Scottish peerage created in 1703 for the lawyer and statesman John Dalrymple, who was Secretary of State for Scotland until he was forced to resign for his responsibility for the massacre of Glencoe. That was how he got in the House of Lords, and it is only because of what his great-great-great-great-great-great grandfather did at the beginning of the 18th century that the current Earl could even stand as a candidate. Or take the original Earl of Glasgow, who was one of the commissioners who negotiated the treaty of Union. Everybody who negotiated the treaty benefited directly in some form or another, and in his case he was given a peerage.

Pete Wishart (Perth and North Perthshire) (SNP): Those are two Scotsmen.

Mr. Straw: That is not my objection in the least, and I am glad that they are Scotsmen. My objection is because life peers at least have to show some merit, whether or not they are party appointees. *[Interruption.]* Yes they do. They have to show more merit now, because of the House of Lords Appointments Commission.

Mr. Grieve *rose—*

Mr. Mark Field (Cities of London and Westminster) (Con) *rose—*

Mr. Straw: I want to make some progress, but I will give way to the two hon. Members who are standing, beginning with the hon. and learned Member for Beaconsfield.

Mr. Grieve: The Secretary of State asked a moment ago, rhetorically, whether we really object to this measure. He noted that we have treated it with some humour, and indeed it is a humorous topic in many ways. However, why should we not hold the Government to their promise? He cannot get away from the fact that the promise that was made in 1999 was exactly that, and he is about to break it. What possible justification is there for doing that?

Mr. Straw: I am sorry, I do not accept that for a moment. We can argue about how long the transitional period should be, but no one anticipated 10 or 11 years ago that we would be in this position. The hon. and learned Gentleman, who believes in the sovereignty of Parliament, should be the last person to claim that one Parliament should be able to bind its successors.

Mr. Grieve: Will the right hon. Gentleman give way?

Mr. Straw: No; the hon. and learned Gentleman asked me a question, and I am giving him an answer.

Moreover, it must be true—the noble Lord Steel, who as far as I know believes in an appointed Chamber, has made the same point—that the principal arrangement in respect of which the original commitment was given concerned the 90 hereditary peers who were retained. The by-elections came later. Yes, we confirmed them, but the original deal was in respect of those 90 peers. Now we have the completely absurd, risible system of by-elections, which cannot continue.

Mr. Mark Field: *rose—*

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con) *rose—*

Mr. Straw: I give way to the hon. Member for Cities of London and Westminster (Mr. Field), as I said I would, and then I will make some progress.

Mr. Mark Field: The Lord Chancellor wishes to belittle the Earl of Stair and the Earl of Glasgow, but doubtless if they had been large-scale donors to the Labour party, they would have been welcomed as life peers for the remainder of their days.

The Conservatives would be quite happy to go along with clause 29, if the Lord Chancellor had been true to his word. We made it clear in a Division in the House almost three years ago that we wanted to see how phase 2 would pan out, with an 80 or 100 per cent. elected House. Had he introduced that at the same time as the clause, we would have had no objection whatever, but our objection is the only safeguard to ensure that there is going to be a proper phase 2. Without it, we could wait 100 years, as he and Asquith have pointed out, to get rid of the remaining hereditaries. The risk is that if we allow clause 29 to go through, within 30 or 40 years, there will be no further reform, and the Government will have got their way.

4.30 pm

Mr. Straw: That is a kind of Trotskyist argument, if I may say so. The Trotskyists used to argue that running sores should be kept running to raise consciousness, and so hasten the revolution. My view is very different. I invite the hon. Gentleman to look at clause 29. All he would see is a measure for the abolition of the by-elections. There have been only 10 since the system was established, but they have become absurd.

Mr. Hogg *rose—*

Mr. Straw: I will give way in one second, but I want to make progress.

The first point raised by the hon. Member for Cities of London and Westminster was not worthy of him. I have criticised the system by which a Liberal Democrat and a Labour peer were elected. We do not like the arrangements. I do not know whether any of those people were donors to any party, but I am sure they are all worthy. However, it would be far better—this is my last point before I listen to the debate—

Mr. Hogg: Will the Justice Secretary give way?

Mr. Straw: Of course I am going to give way—I always give way to the right hon. and learned Gentleman—but I just want to finish my sentence. I have not got to my last point, which is an explanation of why the measure is not to worst the Conservative party.

Mr. Hogg: Before I ask my question may I just declare an interest? I am an hereditary peer and thus have a contingent interest in all this—*[Laughter.]*

I rise not only to support what my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) has said, but to add this gloss: we are talking about not only a promise, but part of a deal—the Justice Secretary has conceded that. Had that deal and promise not been made, the previous measure would not have got through. In fact, the right hon. Gentleman is not only breaking a promise, but abrogating a deal that gave him a positive benefit, namely the measure that he would otherwise not have had.

Mr. Straw: First, that might have been a reasonable point if we were proposing to abolish all 90 hereditaries without putting anything else in place, but we are not. Secondly, when the noble Lord Irvine had to accept the amendment to the original proposal, which came later—the original deal was struck in May, but the amendment was made in October—he said:

> "The transitional House will be of short duration, but let us proceed on the hypothetical assumptions that it might last for more than two or three years"—[*Official Report, House of Lords,* 26 October 1999; Vol. 606, c. 169.]

and so on. They were not talking about a whole decade and no one anticipated that.

Mr. Grieve *rose—*

Mr. Straw: I have already given way to the hon. and learned Gentleman and he can make his own points in his own way in a moment. I hope that I have spelled out just how ridiculous the current arrangement is.

My last point is whether any part of the measure is aimed surreptitiously at shifting the party balance against the Conservative party by the back door—it is a matter of record that there are very many more Conservative hereditary peers than Liberal Democrat or Labour hereditaries. The answer to that question is no. We have long been committed to the principle that no single party should have an overall majority in the Lords and that there should be broad parity between the two main parties, which there is. We are not going to undermine that principle.

The death of an hereditary peer can, like the death of a life peer, be taken into account in nominations of new peers, in exactly the same way as if the reduction of a party's representation in the House had been caused by the death of a life peer. I am afraid that I have not met the Earl of Stair, but if he is a man of great merit and a Conservative—*[Interruption.]* He is a Cross Bencher, so let us take the Earl of Cathcart, whose title is of even greater original antiquity. If he is of great merit and commends himself to the leader of the Conservative party, there is no reason why he should not be at the top of the list for nomination by the party as life peer, subject to consideration by the House of Lords Appointments Commission. That is a sensible way to approach this issue. In that case, the leader of a political party—or HOLAC in the case of Cross Benchers—is measuring the relative merits of the candidates against others who have not been lucky enough to be born the son of a hereditary peer.

When the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) leaves this place, he will no doubt add himself to the electorate of the Conservative peers, and he may seek election if there is a by-election and if this provision is not accepted. On the other hand—I do not wish to damage his chances—he is of sufficient skill, experience and perspicacity to recommend himself to the leader of the Conservative party for nomination as a life peer, which would be far better. *[Interruption.]* It is not patronage. That would be better in terms of his legitimacy, as well as in terms of the legitimacy of an appointed House.

Pete Wishart: I cannot believe what I am hearing. The logic of what the Secretary of State says is that we should replace hereditary peers with appointed peers. Some of us think that we should get rid of the whole shooting match, because a revising Chamber is unnecessary. Surely the appointment process is just as besmirched as the idea of hereditary peers. Can he tell us how many Labour peers have been appointed because they gave considerable amounts of money to the Labour party?

Mr. Straw: The hon. Gentleman knows that we want to move to a wholly or mainly elected Chamber, and that will be for a future House of Commons to decide. I agree with his basic point that an appointed Chamber is not as good as an elected Chamber, but a Chamber appointed on the merits of the people who sit there—whether he happens to agree with them or not—is far better than a Chamber constituted on the merits of its members' long-dead ancestors, the basis that the Conservatives are now trying to defend.

This is a modest reform. My answer to those who have suggested that we should wait for holus-bolus reform is that this is a running sore and we should do something about it. Because we cannot do everything now does not mean that we should not do anything. I am strongly persuaded by the case that Lord Steele originally made: this is a matter that we can deal with, and we should do so now.

Mr. Grieve: There is one thing on which I have no difficulty agreeing with the Secretary of State, and that is that the arrangements for the election of hereditary peers are a peculiar anomaly. I do not suppose that in 1997, when new Labour was elected to power, anyone could have dreamt that we would end up with such a peculiar arrangement. Whether it is, as the Secretary of State says, a risible arrangement is more questionable. In fact, as he acknowledged, on the face of it these elected peers, from all parties and as Cross Benchers, do remarkably good work in the House of Lords. They do such good work that the principle that they should stay there has been accepted, even if new ones should not be added. I would not, therefore, describe it as risible, although it is certainly peculiar and—I might say—does not sound very new Labour.

As the Secretary of State will recollect, the new Labour manifesto said:

"As an initial, self-contained reform, not dependent on further reform in the future, the right of hereditary peers to sit and vote in the House of Lords will be ended by statute. This will be the first stage in a process of reform to make the House of Lords more democratic and representative."

That appeared in that wonderful document called "New Labour: because Britain deserves better".

The fact is that, as was rightly pointed out by my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), when the matter came to be debated in this House and the other place, the Government decided that they could not get their business through and did not wish to push it through under the Parliament Act. They therefore negotiated, in the other place, and came to a deal. I must say that the deal is very un-new Labour and is redolent with terminology that takes one straight back to the 19th century. All the tribute for that goes of course to Lord Irvine, who is a slightly 19th century figure.

Mr. Hogg: Seventeenth century.

Mr. Grieve: My right hon. and learned Friend is correct, because the derivation of the idea is almost certainly the fact that—this has not been raised—at one time not all Scottish peers had the right to sit in this place, and instead elected a group of their number to do so.

Mr. Hogg: And Irish peers.

Mr. Grieve: Irish peers, too. I suspect that that is where Lord Irvine got his idea from, and doubtless Lord Cranborne, with his family's long record of service to the country, had the same idea.

It is worth considering for one moment what Lord Irvine said at the end of that process. I only quoted a small bit of it to the Lord Chancellor, but I think that these words should be engraved above the chair in the office where he sits, and probably over his bed:

"The amendment reflects a compromise negotiated between Privy Councillors on Privy Council terms and binding in honour on all those who have come to give it their assent. Like all compromises it does not give complete satisfaction to anyone.

[Mr. Grieve]

That is the nature of compromise... a compromise in these terms would guarantee that stage two would take place, because the Government with their great popular majority and their manifesto pledge would not tolerate 10 per cent. of the hereditary peerage remaining for long. But the 10 per cent. will go only when stage two has taken place. So it is a guarantee that it will take place."—[*Official Report, House of Lords*, 30 March 1999; Vol. 599, c. 207.]

The Secretary of State tells us that times have moved on. He also pointed out—I do not disagree with this—that this Parliament is sovereign and that if it decides to change its mind, it can. I am not actually very concerned about what this Parliament does; I am concerned about what he does. He was one of the Privy Councillors who negotiated the deal on Privy Council terms, and so was the Prime Minister, because they were all members of the Cabinet that ratified Lord Irvine's solemn and binding pledge. So why should we today release him from that obligation, particularly given that he has not made any credible case for getting rid of these elected hereditaries, who seem on the evidence to be carrying out a perfectly reasonable job in frankly no more anomalous a way than all the appointees who are also present in the upper House?

In truth, there is no justification for such action, apart, I suppose, from a rather new Labour desire to renege on a past promise. If that is the philosophical basis on which the Secretary of State wishes to argue this case, it would be sensible if he were to stand up and acknowledge it now, and at least then we would know where we all stand. As it happens, I think that he is bound by that promise in honour, and I do not see why I should facilitate him dishonouring his own promise, particularly given that there is no rational reason for doing so.

In addition to that, we have to face up to some realities. I listened carefully to the Secretary of State, and in particular to his acknowledgment that there needed to be Conservative peers in the other place and that there was a Government commitment to having a balance of appointed peers between the parties, until that day when we reach a final resolution on a second stage of reform. However, as he knows, the reality is that the composition of the upper House has increasing elements of imbalance, some of which are dictated by age and the fact that peers of certain parties are much older than those of other parties, and by the fact that the total number of Labour peers appointed by Mr. Blair during his period in office as Prime minister was 163. In contrast, 45 Conservatives were appointed in that period. Although there were certainly imbalances at the beginning of that period, they were largely removed when most of the hereditaries went.

4.45 pm

Since the present Prime Minister came to office, we have had four Conservative peers appointed in the other place, nine Labour peers, two Liberal peers and 11 Cross Benchers. The truth—I think that the Secretary of State will acknowledge this—is that while we wait for the final stage of reform to take place, it is becoming increasingly difficult to provide the necessary scrutiny of Government legislation in the other place. From our point of view, the continuing election of the hereditaries remains a key way of ensuring that working peers can get in and be maintained, despite the fact that the Prime Minister has shown such a curmudgeonly approach to facilitating proper scrutiny.

Hugh Bayley (City of York) (Lab): The hon. and learned Gentleman is arguing that clause 29 should not stand part of the Bill because the second-stage reform has not taken place. That would be a more credible argument if I felt that his party were champing at the bit to bring forward a second-stage reform, so let me simply ask him this. What commitment will the Conservative manifesto in this year's general election make to bringing through a wholly or largely elected second Chamber?

Mr. Grieve: My right hon. Friend the Leader of the Opposition has said repeatedly that the Conservative party's position is that it wishes to have a largely elected second Chamber. As the hon. Gentleman will know, there were votes on that in the House, when there appeared to be a majority in favour of a largely elected second Chamber. That is where we stand.

Mr. Leigh: Will my hon. and learned Friend give way?

Mr. Grieve: In just a moment.

However, the Government have at no stage said that they are about to implement a final stage of reform. If they felt that having a largely elected second Chamber was impossible, they could decide that, as a final stage of reform, they would have a largely appointed second Chamber, but we simply do not have anything.

Mr. Straw: I forgive him, but the hon. and learned Gentleman was evidently not listening to what I was saying. We are indeed about to move to that final stage, and we are about to publish the draft clauses for that. We have had three and a half years of intensive cross-party discussions, and we have taken them to the next stage.

Mrs. Eleanor Laing (Epping Forest) (Con): You have had 11 years.

Mr. Straw: The hon. Lady knows very well that for six and a half of those 11 years, there was no agreement either within the parties or between them, and things have to be done on a cross-party basis. There is now that agreement. To pick up the question that my hon. Friend the Member for City of York (Hugh Bayley) asked, I want to know whether, subject to going through the small print of those clauses, the Conservative party will say that, whatever position the Conservatives are in after the election, they will give those proposals the same enthusiastic welcome that this side will give and which I suspect—although they know how to speak for themselves—the Liberal Democrats will give as well.

Mr. Grieve: If I may say so, I am not quite sure what proposals I am supposed to give an enthusiastic welcome to. Let me remind the Secretary of State that last year the Government published another document—previously we had "Britain deserves better", whereas this one, published on 29 June 2009, was called "Building Britain's Future". Let us remind ourselves of what it says:

"We have already pursued a radical programme of reform in the House of Lords, including reducing the number of hereditary peers who sit in the House from about 750 to 92 today."

That is not so radical, we now discover: apparently it is an anomaly, but I leave that one aside. The document continues:

"But fairness and the democratic principle require that the people's representatives are chosen by the people. The Government plans to legislate in the 2009-10 session for the next steps on House of Lords Reform by completing the process of removing the hereditary principle from the second chamber. And, building on the Government's White Paper published last July, which committed us to an 80 per cent or 100 per cent elected House of Lords—reflecting the will of the Commons expressed in a free vote in 2007—we will pursue the final phase of Lords reform by bringing forward a draft Bill for a smaller and democratically constituted second chamber."

The Minister of State, Ministry of Justice (Mr. Michael Wills): The hon. and learned Gentleman's position on these matters is usually so clear, but I would be grateful if he could bring a little more clarity to his own position on reform of the House of Lords. He has told us which proposals he would not give an enthusiastic welcome to. In an attempt to get an answer to the question put to him by my hon. Friend the Member for City of York (Hugh Bayley), I should like to ask him to which proposals on House of Lords reform he would give such a welcome.

Mr. Grieve: The Leader of the Opposition has indicated that he supports a largely elected second Chamber, and wishes to see that implemented.

Mr. Leigh: I put it to the Lord Chancellor that the whole purpose of this risible arrangement was to force reform. Does my hon. and learned Friend recognise that there are many Conservative Members who believe that what we have is a perfectly satisfactory arrangement, and that we do not want an elected second Chamber full of pitiful clones? Will he confirm that, when, as we all hope, we get into power, there will be a free vote on this matter?

Mr. Grieve: I am afraid that I cannot confirm anything of the kind to my hon. Friend. I acknowledge that there is a wide spread of views on this matter, and it is certainly clear from the votes that took place in the upper House that many people there want a largely or entirely appointed second Chamber. If the Government put in place an entirely appointed second Chamber, with a structure in place for its long-term management, they could claim that as a proper second stage. The point at issue this afternoon is that we do not have a second stage at all. We are being asked to vote on a series of piecemeal measures that amount to little more than gimmickry, because they will have absolutely no impact on the way in which the upper House operates.

Dr. Tony Wright (Cannock Chase) (Lab): I do not feel that we have quite got to the bottom of the Opposition's position. When the Leader of the Opposition went to talk to the Conservative peers some time ago, he was widely reported—including by those who were there—as having said that this was a third-term issue for the Conservative party. Will the hon. and learned Gentleman confirm that that is indeed the Leader of the Opposition's position?

Mr. Grieve: I think that I have made the position extremely plain. The plain words of the Leader of the Opposition are that he believes that there has to be reform of the upper House, and that it should be a largely elected second Chamber. I should like gently to point out, however, that we are debating the Government's proposals, not our proposals. If we could have an election tomorrow, we could then go off and discuss all these matters. At the moment—prior to the election—the Government are asking us to agree to further piecemeal reform which amounts to little more than a piece of gimmickry and, furthermore—I hope that I use these words advisedly—in the light of Lord Irvine's comments, dishonours them. It is a flagrant breach of trust in regard to what they have collectively said.

Mr. Redwood: Did my hon. and learned Friend know that, when I asked the Lord Chancellor to give us a timetable for honouring his promise, there was no such timetable and, clearly, no Government intention to bring forward reform because they know that it would be logjammed in the Lords?

Mr. Grieve: Yes, I did know that. For those reasons, the Government appear to be trying to find a gimmick with which to divert attention from their failure to implement their own policy pledges or to come up with any alternative if their policy pledges are incapable of being implemented.

Hugh Bayley: In answer to the hon. Member for Gainsborough (Mr. Leigh), the hon. and learned Gentleman said that he would not guarantee a free vote for Conservative Members on a second stage of reform to create a wholly or largely elected second Chamber. Can he give me an assurance that there would be a whipped vote on that issue in both Houses of Parliament in the first term in which a Conservative Government were in office?

Mr. Grieve: The answer to the hon. Gentleman's question is no; I shall do no such thing. I have told him and the hon. Member for Cannock Chase (Dr. Wright) exactly what the Leader of the Opposition has said and what constitutes party policy. That is where we stand. Today, we must decide whether the clause under consideration has merit and deserves the support of the House.

Mr. Straw: May I follow up the question from my hon. Friend the Member for Cannock Chase? Is it correct that the Leader of the Opposition told Conservative peers that this was a third-term issue?

Mr. Grieve: I was not present at the meeting. *[Interruption.]* I might add that I would be very surprised if the hon. Member for Cannock Chase had been present, unless he entered as a poltergeist. We should focus on what the Leader of the Opposition says in public, and on how we have voted in public. The Secretary of State's tactic seems to be diversionary—more displacement activity, in which, as I have said to him previously, he appears to have specialised in recent months. I suppose that that is the hallmark of the successful politician.

Mr. Hogg: My hon. and learned Friend talked about gimmickry. Does he agree that the chances of the Bill becoming law are now negligible? It will probably have a sixth day of consideration, which will be about the time of the February recess. The Bill will then go to the other place, which will not pass it by the time of Dissolution. The Bill is a gimmick that has no prospect of becoming law.

Mr. Grieve: I agree with my right hon. and learned Friend. What he says has been apparent as the Bill has proceeded, which is regrettable because we agree with the Government that parts of the Bill are very desirable. However, the Government seem to spin out the Bill for longer and longer by introducing extra measures.

When the Secretary of State reflects on the matter, I would like to think that he will view Opposition Members wishing to protect him from dishonour as not a bad thing. For those reasons, we will seek to have the clause, which is a hallmark of the Government's utter bad faith on the matter, removed from the Bill.

Dr. Tony Wright: I have just two points to make. The references to Lord Irvine give me a certain nostalgic pleasure, as they remind me that the apotheosis of my parliamentary career was being the Parliamentary Private Secretary to Lord Irvine during the period in question. I remember well much of what is being discussed. I have also spent more time than I care to remember deliberating on reform of the House of Lords. Until today, I had taken a vow that I would not deliberate further on the matter. I have come to the rather dismal conclusion, fortified by more than a century of history, that there will not be a big bang as far as House of Lords reform is concerned. At the very least, there will be a series of rather minor bangs, which will be entirely in the tradition of how we do things: we shall muddle along, we shall deal with problems as they arise, we shall do a bit of tidying up, and, in any foreseeable future, we shall probably not do a great deal more than that. We shall go on having such debates at great length, with great interest, into a very pleasant infinity.

That has always been the nature of House of Lords issues, and I am sure that it will be ever thus. It could have been different. I never quite understood why a reforming Government with a large majority treated the reform of the House of Lords differently from other major constitutional issues. We had a settled position on freedom of information, devolution and a range of constitutional reform issues. We used our majority in the House to implement such proposals. In the case of House of Lords reform, we did not. We sought to construct what was never there: a majority for a consensus position in the House. The late Robin Cook worked tirelessly to achieve that end and it collapsed around him. My right hon. Friend the Secretary of State for Justice and Lord Chancellor has spent more parts of his life than he probably cares to acknowledge trying to work towards some sort of solution. There will not be a solution in any near future. A great reforming moment may come again in a different political cycle but that moment in this cycle has gone.

5 pm

The answer to the question posed by the hon. and learned Member for Beaconsfield (Mr. Grieve) is to say that it was not intended to be like this, although what was intended was never very clear. There was to be a kind of amorphous stage 2 that was going to do things of a rather more significant kind to the House of Lords, but the mountain has turned out to be a mouse. There is nothing exceptional about that; that is often the way of these things. The truth is that the various provisions of the Bill are looking at a kind of stage 2. There will probably be a stage 3, a stage 4 and probably a lot of other stages along the way. That will not be because anyone intended that to be the case; as I said, the late Robin Cook tried heroically to forge a stage 2 of a rather major kind and to persuade the House to move in a big reforming direction. The House instead preferred to play games and the whole thing collapsed. There was a good intention to try to move the House towards a serious reform position but the House was not to be moved on a consensus basis in that way.

What we have is a stage 2 that deals with a number of immediate problems. It does a bit of tidying up of a necessary kind. It deals with the absurdity of elections of the hereditary peers. It deals with resignations and with removals. I wish it also dealt with putting the House of Lords Appointments Commission on a statutory basis; that would be a sensible bit of tidying up. That is what stage 2 is; if it is seen in that way, it is a recognition of political reality, which indicates that we will go on having further stages beyond this.

Mr. Hogg: It is a most ingenious argument but is it not rather like the Government saying in respect of the Lisbon treaty and their undertaking to hold a referendum on it that it was not a treaty? The hon. Gentleman is saying that a bargain should be dishonoured because we now have stage 2. That is palpable nonsense.

Dr. Wright: I am grateful for that but I will resist the temptation to have the Lisbon treaty argument all over again.

Mr. Grieve: Is it not even more of a nonsense? The only element of the stage 2 that can be identified is the reneging on the previous promise. Apart from that, none of the list of subjects concerning the House of Lords that we will debate this afternoon is germane to the main issue of House of Lords reform at all. The only element of change is that stage 2 will now be the ditching of the solemn and binding promise that was made previously.

Dr. Wright: As I have tried to explain, as someone who was reasonably close to the issue, stage 2 had an amorphous quality; it had an intention and an ambition attached to it. There were attempts to fulfil that ambition. They failed. In the event of that failure, what does the House do? It tries to do the things it thinks it can do. That is why stage 2 has become the component parts of this Bill that are sensible and worthy of support.

My second point on the clause about the ending of the by-elections for hereditary peers is this: in some ways, this provision demonstrates a remarkable generosity of spirit. It invites the question why are we treating the second tranche—the remaining hereditary peers—differently from the first tranche? The first tranche was dealt with by a cull, because it was believed that it had to be removed from the House of Lords. The second tranche, having endured for a further 10 years, is to be removed not by a cull, but by a process of natural attrition. As my right hon. Friend the Secretary of State told us how young the youngest remaining member of the hereditary peerage is, we know that it will go on for many decades.

I am perfectly prepared to accept this provision, because it is a way of making progress and getting some sort of support for a package of proposals. However, I think that it is generous, and it would have been open to the Government and to the House to say that the time

has come to bring the hereditary peerage to a close. We have not said that; we have offered a very generous transitional arrangement. On that ground alone, it probably deserves support.

David Howarth (Cambridge) (LD): I fear that there might be something in what the hon. Member for Cannock Chase (Dr. Wright) just said. I wish to start my contribution by citing the preamble to the Parliament Act 1911, which states:

"whereas it is intended to substitute for the House of Lords as it at present exists a Second Chamber constituted on a popular instead of hereditary basis, but such substitution cannot be immediately brought into operation".

Andrew Mackinlay (Thurrock) (Lab): They didn't mean it either.

David Howarth: That "immediately" was said in 1911. The hon. Gentleman says that they did not mean it. The Liberals did mean it then, although there might well have been an internal compromise within the parliamentary party not to attempt to go further and to put that promise into the Act.

Mr. Mark Field: The hon. Gentleman may recall that, given that this was Asquith's Government, the Cabinet at the time was very much against women having a vote. Thus, one wonders what the popular vote that they had in mind in 1911 might have entailed.

David Howarth: I suspect that the factions on women having the vote and on going further on House of Lords reform might well have been the same; the Cabinet was also split on that.

I listened to the hon. and learned Member for Beaconsfield (Mr. Grieve) and the Secretary of State, and it appears that it might be another 100 years before that promise is fulfilled. I have heard the Secretary of State's statements and speeches on this issue for the past five years and it seems that we have got very little progress out of him towards the ultimate goal of the reconstitution of the second Chamber on a popular basis. A number of documents have been published, including two White Papers during my time in this place, yet apart from one vote on the Floor of the House, which had no binding consequences, no progress has been made towards reconstituting the House of Lords on a popular basis. When listening to the hon. and learned Member for Beaconsfield, I got the distinct impression that there will be no enthusiasm for introducing specific proposals to this House early on during the time of any Government he is a part of.

Mr. Straw: The Conservative party must speak for itself, although it is having great difficulty on this matter, but I must say, for the Government, that the hon. Gentleman parodies all the work that has been done, including by the hon. Members for Somerton and Frome (Mr. Heath) and for North Southwark and Bermondsey (Simon Hughes). We laboured long and hard in the cross-party group to reach a position, 96 years after the 1911 commitment, where at long last clear agreement was reached by the House. Such agreement had eluded us for all that period; we did not get it before the war, in the '60s or in 2003. We got that agreement, and we produced the details in the 2008 White Paper and then what amounts to the guts of a draft Bill—that is real progress.

David Howarth: We were happy to take part in those discussions, but we were frustrated all the way through that one discussion had to lead to another discussion and then to another discussion. The Liberal Democrats have been clear about our policy since 1911, and the fact that everybody else seems to take such great time to come to the same conclusion and then not to implement it is a source of even greater frustration.

Mr. Hogg: I think that the hon. Gentleman would agree that even among those of us who believe in a wholly or largely elected second Chamber—I am in that camp—there is a great division of opinion on how, and on what basis, its Members should be elected. On that second issue—the nature of the franchise and the nature of the election—there is considerable division of opinion, and it is that, as much as anything, that stands in the way of rapid progress.

David Howarth: The right hon. and learned Gentleman is right that there is that difference of opinion, but it seems to me that we have never got to that important part of the debate. However, we are not talking about that issue, but about the abolition of by-elections for the hereditary peers. I still come back to his Front Benchers' lack of enthusiasm for progress; the hon. Member for City of York (Hugh Bayley) was right to ask about that.

The hon. Member for Cannock Chase mentioned the phrase "third-term issue", which has been bandied about, and which the Leader of the Opposition perhaps used. It is not clear whether he used the phrase, but it is clear that in *Total Politics* magazine last year, when asked about House of Lords reform, he said:

"to be frank it is not an urgent priority".

That is on the record.

Mr. Tyrie: The hon. Gentleman knows that I am one of the most committed supporters of a democratic second Chamber, but even I would balk at bringing in a measure for that purpose at this time, given the debt crisis and the deficit crisis. Everybody knows that taking through such a measure would result in some kind of constitutional upheaval, and possibly a crisis. The public would find it utterly incomprehensible if we engaged in a battle like that for a year or so, while distracting attention from the crucial tasks that most affect people's livelihoods.

David Howarth: The trouble with that argument is that it assumes that economic management is a matter of legislation; I am sure that the hon. Gentleman, above all others, does not agree with that. Economic management is a matter of Government policy away from the legislative process. Constitutional reform is a separate matter that we can continue to work on, whether there is a crisis or not.

Mr. Wills: Does the hon. Gentleman agree that at the height of the second world war, the foundations of the welfare state, including the national health service, were laid, but that that did not distract the Government from the life-and-death struggle that was going on? There is no reason why constitutional reform should be a distraction from dealing with questions of economic management.

[Mr. Wills]

Secondly, it is clear from this debate what we must do if we are to achieve the necessary consensus on wholesale reform of the House of Lords—I think the hon. Gentleman agrees with us Labour Members that that reform is necessary. The Government have pledged that in the next term of a Labour Government, we will implement the draft clauses that we will publish, subject to any amendment as a result of discussion. Does he agree that the major obstacle to any consensus on wholesale, much-needed reform of the House of Lords is the attitude of the Conservative party?

The Chairman: Order. The debate is getting ever wider. It is a high-quality debate, because there are right hon. and hon. Members present who have a great deal of expertise, but I think that we have just reached the point where I need to remind the Committee that we are discussing a particular matter—that is, whether clause 29 should stand part—so I would encourage a little more concentration.

David Howarth: Thank you for that encouragement, Sir Alan. I will not go into any detail in my response to the Minister, except to say that he is right on his first point. On his second point, the Conservative party's attitude is not the only obstacle to reform. Under the present Government, there has been a very long period in which reform could have been taken further forward but was not. Part of the problem is the notion that there has to be absolute consensus. I do not think that one will ever reach that point. There comes a time when one has to take the bull by the horns and take reform forward.

I share some of the frustration that Conservative Members feel about the clause, and I share the frustration about the piecemeal reform. Perhaps the hon. Member for Cannock Chase is right that all that we can hope for is piecemeal reform, but we should be bolder than that—indeed, we should have been bolder than that before now. It is immensely frustrating for those of us who do not accept the hereditary principle that all that the clause proposes is the ending of the by-elections. We Liberal Democrats were never party to the various deals and arrangements between Lord Irvine and the Marquess of Salisbury. Those are the kind of deals in which, perhaps fortunately for us, we are never asked to take part. So we are seeing this from the outside.

5.15 pm

Although the Secretary of State is quite right that the process removed by clause 29 is risible, it seems to us that the hereditary principle is as risible and that there is no reason why there should be hereditary peers in our Parliament at all. The Government have promised action on this several times going back to the 2003 Queen's Speech and in five White Papers since then, but nothing has happened. I am as frustrated by that as any radical Member of this House going back to 1911, but that frustration should not mean that we vote against the clause. Inadequate as it is, it is still progress towards getting rid of an absurdity.

Mr. Leigh: The hon. Gentleman is claiming great purity for not being part of this shoddy deal. Of course, when the Liberals were last in government they were precisely part of a shoddy deal. One can be pure only when one is in opposition.

David Howarth: I am not saying that all deals are shoddy, but this particular deal was one that excluded us and, as has been explained, was a method of getting a Bill through the House that did not go far enough from our point of view. We have been consistent in our policy about this for a long time and our exclusion from that deal follows from the fact that our policy has always been clear.

It comes back to whether this clause should be supported in itself. It is a very minor reform but, as the Secretary of State says, it gets rid of absurd elections. He mentioned the election when there were 11 candidates and three voters. The winning candidate won by 2:1—after extra time and a penalty shoot-out, no doubt. It sounds like something from "Blackadder". Lord Steel mentioned in the debate on his Bill in the other place that even Old Sarum had 11 voters and would have higher turnouts than these elections in the Lords.

The only argument that has been put forward for voting against the clause is that which the Secretary of State rightly calls the Trotskyist argument—the Tory-Trotskyist argument—that the situation is so awful and so silly that such action would encourage further reform. It is possible that that might work, but the only problem is that this has been the situation since 1998. It has not worked yet and shows no sign of working in the future. Even though it is quite right for Members of the Conservative party to berate the Government for reneging on a deal, if that is what it was, they should nevertheless not reject this clause.

Andrew Mackinlay: I take notice of your earlier injunction, Sir Alan, to focus on the clause, but, like most people here I am disappointed that in the 11 years for which we have had a Labour Government we have not moved faster on this and brought forward a democratically elected upper House. My dream was that I might one day be the first of the new and offer myself as a candidate for an elected upper House. I do not think that that will happen, but we do need to move this on. I welcome the measures that the Justice Secretary is introducing by bringing this Bill to the House and, at least on the margins, altering the present arrangements. I also look forward to draft proposals that will be enacted in the next Parliament if Labour is returned to office. I welcome that.

The principal Opposition spokesperson, the hon. and learned Member for Beaconsfield (Mr. Grieve), may suggest from the Dispatch Box that because undertakings were given by Lord Irvine to Lord Cranborne, I am somehow committed to them, but I must say that that is not so. There may well have been agreements between so-called Privy Counsellors, but those of us who are nature's privy counsellors, to paraphrase Tony Hancock, think that such agreements have to be abrogated sometimes.

Mr. Grieve: I have considerable sympathy with that view. I do not think that the hon. Gentleman is bound by anything, but the Secretary of State was a Privy Counsellor at the time and a party to the agreement. The hon. Gentleman may think that it is rather extraordinary to renege on an undertaking that had been expressed by Lord Irvine in such solemn form.

Andrew Mackinlay: I can only speak for myself, but one of the paradoxes is that Viscount Cranborne and one or two other hereditaries are the most radical

advocates of reform. The history shows that he had to persuade and show leadership to some very conservative people who did not want change, for a whole range of selfish reasons.

Mr. Hogg: I am grateful to the hon. Gentleman for giving way, and I agree with my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve). The hon. Gentleman is not bound by anything, but members of his Front-Bench team are. A solemn undertaking to the House should not be abrogated. He should not support an abrogation, even though he himself is not personally committed to that undertaking.

Andrew Mackinlay: I know what the noble viscount says, but I do not agree with him. I certainly want to see this Parliament be much more effective. I am one of those who believes that, despite the perverse constitution of the other place, its role and function are extremely important.

As I look around this Chamber today, I see an overwhelming majority of colleagues who believe that we should not go to one Chamber of Parliament but that we should instead enhance and buttress an arrangement that will be an impediment and a frustration to arbitrary government. That is what is most needed: we must diminish the opportunities that arise, under the House of Commons' majority system, for parliamentary dictatorship, with things being ill thought out and railroaded through.

By-elections are the core of this clause, and reference has been made to the practice of the Scots and Irish peers, but I do not think that one can use the Scottish peerage to buttress the change proposed by the Government today. Up to the 1950s, the Scottish representative peers were elected for each parliamentary Session. They met in the Parliament House in Edinburgh, and had an election to determine who should come to this place.

The Irish peerage is much more interesting. Under the Act of Union 1800, the Irish peers would elect their representative peers for life. When the Government of Ireland Act 1920 came into force, the existing peerage was allowed to wither on the vine. The last Irish representative peer was the fourth Earl of Kilmorey, who I think expired in 1957 or thereabouts. Colleagues in this House will recall Richard Needham, who became the fifth Earl of Kilmorey and did distinguished service here as a Northern Ireland Minister.

Members of the Irish peerage could have argued that the change amounted to a reneging on the Act of Union and that the existing arrangement should have been in place in perpetuity. However, that arrangement was broken by the 1920 Act, when common sense prevailed and the existing Irish peers were allowed to wither on the vine.

Alternatively, a person with a hereditary peerage who loses his right to sit in the other place can be nominated for a life peerage by his political party. That has happened, and I think that it is implicit in what the Justice Secretary is proposing. A great example is the late Earl of Longford. He did not sit in the House of Lords under that title, although we always knew him as the Earl of Longford by virtue of his Irish peerage. He was there as Baron Pakenham, a title that was personal to him.

Mr. Hogg: On a point of detail, Lord Pakenham was made a life peer before he became an hereditary.

Andrew Mackinlay: Yes, I acknowledge that, but he could not have gone into the House of Lords as the Earl of Longford. That is the point. To complete the picture, he was one of the most distinguished, because he was Baron Pakenham for life and the Earl of Longford, and I think he was given a further life peerage when an adjustment was made in the House of Lords a few years ago.

Indeed, an awful lot of funny things have gone on. There was a Viscount Hailsham who managed to renounce his peerage and return to this House of Commons. Later, along with the 14th Earl of Home, he went back to the House of Lords as a mere baron—the ignominy!

The Chairman: Order. May I say to the hon. Gentleman that perhaps that composite picture might now be considered complete?

Andrew Mackinlay: You have been most patient, Sir Alan.

The Conservative party is embarrassed as there are an awful lot of Conservative backwoodsmen up in the Lords who are desperately anxious about the loss of privilege and they are struggling to square this reform, but it is modest and surely most sensible people should accept it in the hope that whoever forms the next Government immediately makes proposals to create a democratic, elected House. The principal Opposition spokesperson, the hon. and learned Member for Beaconsfield, was so embarrassed and so incapable on this reform because it is clearly the intention of any Conservative Government, should there be one, to make any change in the second or even in the third term. That is the flaw in his argument.

I urge the House to take this step forward, signalling to Governments that we want, first, to protect the bicameral system, but, secondly, that we want, as swiftly as possible, the other House to be based on legitimacy provided by some form of democratic election, not on accident of birth.

Mr. Hogg: I begin by saying what a pleasure it is to follow the hon. Member for Thurrock (Andrew Mackinlay). May I also say—I know I speak on behalf of a lot of Members in this place—how sorry I am that he has decided to stand down? He will be a true loss to the House, and I say that in true friendship.

Mr. Leigh: Put him in the House of Lords.

Andrew Mackinlay: You will go a long way in my Government.

Mr. Hogg: Yes, indeed.

I once again declare my interest: I have a contingent interest in the matter.

I shall support the position adopted by my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) on clause 29. Like the hon. Member for Thurrock—indeed, like the hon. Member for Cambridge (David Howarth)—I believe strongly in the second Chamber. My remarks on this aspect will be brief, Sir Alan, because I know that you do not want us to go wide of the debate. Those of us who have attended a lot of debates in the House are conscious of how much legislation is not discussed here, and the idea that we should not have a second Chamber

[Mr. Hogg]

that can address that lacuna is deeply troubling. Therefore, and to that extent, I wholly disagree with the observations made by the Scots nats. They are just plain wrong on that.

Mr. Straw: Not just on that.

Mr. Hogg: No, not just on that.

My position has always been to support an elected or wholly elected second Chamber. My basis for that is that I want the powers of the other place to be very substantially increased so that they are more in line with those of a Senate, but I recognise that the only basis for increasing those powers is a proper franchise for constituting the second Chamber.

However, one problem—I made this point to the hon. Member for Cambridge—is that it is difficult for us to agree the franchise and the nature of the constituencies that would give rise to such an election. That has been one of the important sticking points. I for one would be very sorry indeed to see parties having great control over the selection of candidates for the other place. Moreover, I would want there to be relatively small constituencies. If I could not get that, I would rather stick with what I already have.

May I briefly acknowledge the role of the hereditaries in the other place? Often, they bring a degree of independence of mind—sometimes eccentric independence—that this place often lacks. It would be very sad if we did not see that continue in the other place.

5.30 pm

I accept that the by-elections are difficult to justify in principle. I agree that I would have difficulty standing on a public platform and defending the exact mode of both by-elections, or any by-election of that kind. That does not, however, cause me to accept the Justice Secretary's proposal, because I have two profound difficulties with it.

The first—it is a view that I adopt entirely as expressed by my hon. and learned Friend—is the objection to piecemeal legislation. It is very important that we address properly the reform of the second Chamber, and I am against piecemeal legislation because in the end we would remove the incentives for a substantial reform of that other place. I know that my hon. Friend the Member for Gainsborough (Mr. Leigh) does not agree with me on this, but I wish to see a substantial change in the nature of composing that other place.

The second point—I am sorry that I do not agree with the hon. Member for Thurrock on this, or with the hon. Member for Cambridge—is that I believe in the binding character of undertakings given by Ministers to Parliament. Perhaps that is because I am a lawyer. The Justice Secretary is a lawyer too. I believe that words once given are binding, unless there is an overwhelming reason why they have to be departed from. There is no doubt at all that a deal was made between Lord Irvine of Lairg and the Marquess of Salisbury—Lord Cranborne, as he then was. That was an agreement. As a result of that agreement, legislation was passed which would not otherwise have been passed. This part of it, the by-elections, in the end formed part of the deal.

David Howarth: I was not implying that what was said to the House should not be binding and honoured. I was simply making the point about privity of contract. It was a deal between two other parties.

Mr. Hogg: I was not trying to attribute to the hon. Gentleman a sentiment that undertakings should not be honoured. If I gave that impression, I apologise to him. It certainly was not my intention.

When Ministers come to either House, they are committing their party to what they say. My hon. and learned Friend is entitled to say that he will not assist the Government to depart from their word. It is on that principle more than on any other that I stand today. For that reason I shall, with enthusiasm, support the position he has taken.

Hugh Bayley: I feel like an innocent abroad, straying into a debate on constitutional reform, but I have done so because there are some interesting questions up for discussion this afternoon. I was truly surprised as the Conservative argument unfolded. If I were trying to be generous, I would say that they were making the case that the best should be the enemy of the good—that because there was not wholesale reform, they would stand in the way of a small but important step in the right direction.

I have had conversations with constituents at public meetings who have berated me for the Labour party's not seeing through the process of Lords reform. There is surprise among a number of members of the public in a well educated constituency such as mine—I see the hon. Member for Cambridge (David Howarth) nodding—that there are still people in our legislature who draw the basis for their representation from the hereditary principle.

However, Conservative Front Benchers are not arguing for the ideal. It is clear from the range of contributions made by Conservative Members that they do not think that wholesale reform is ideal. They are extremely divided on the matter. There is opposition from Conservative Members, in this House and the other place, to serious democratic reform, which a majority of Members of this House wish to see. The largest majority of Members wish to see a wholly elected second Chamber, and there is a majority—albeit not quite so large—for a largely elected Chamber, so the view of this House is very clear, as is the public's. When people look at this debate and see which way the Conservative party voted, bang in a puff of smoke will go the pretence that it is a modernising democratic party. They will see the Conservative party supporting hereditary privilege, because that is what it is doing today.

Mr. Grieve: The hon. Gentleman was present for the indicative votes in this House, so he can see for himself how the House voted. Indeed, there were cross-party positions throughout the House, with people doing slightly different things. However, if he will notice that the overwhelming majority of Opposition Members voted for a largely elected second Chamber. That is my recollection.

Hugh Bayley: The puzzle, then, is why the hon. and learned Gentleman has made his argument to our House today. If his party, root and branch, were wholly committed to radical reform and to creating a wholly or largely

elected second Chamber, he would have said so—to ringing applause from his Back Benchers. But he did not, because his party is divided, and he therefore has to manufacture an argument to explain why his party believes that the clause should not stand part of the Bill.

Mr. Grieve: From reading the Government's proposals, which we are debating in Committee of the whole House, not on a substantive motion about the future of the House of Lords, I fail to see that radical reform programme. All I can see is the Government's going back on a solemn undertaking that Ministers, including the Minister present, gave some time ago as part of a reform package. Given those circumstances, that is what we have to consider.

Hugh Bayley: The hon. and learned Gentleman is a talented wordsmith, but he is diverting the argument at this point from the fundamental question: does this Committee of the whole House vote in favour of removing the hereditary principle from membership of the House of Lords? There will be a clear vote on that this evening, and people will see that my party and the Liberal Democrat party want reform to remove the hereditary principle from the legitimacy—the appointment—of Members of this Parliament, and that the Conservative party wants to retain it. That is the long and the short of the issue before Parliament.

Mr. Heath: Throughout this debate we have been considering the solemn undertaking, to which we were not party, as Members have already said, and it is important to remember the context in which, and the implied condition on which, it was given. The context and condition were a sense of urgency about the total reform, which we were expecting. That sense of urgency has been extremely difficult to divine, as the hon. Gentleman has acknowledged, in the current Government; and it is impossible to divine, from what the hon. and learned Member for Beaconsfield (Mr. Grieve) has said, in the Conservative party. There simply is no urgency for reform, and that is why the undertaking has so little value, unfortunately.

Hugh Bayley: The hon. Gentleman puts the point succinctly. In one quotation that was read out to the Committee this afternoon, the expectation in Lord Irvine's mind when the undertaking was given was that the whole process would be finished within two or three years. This is not two or three years later, however; this is two or three Parliaments later.

Mr. Shepherd: I respect the hon. Gentleman's urgent wish for radical reform, and I am on board with that, but no one can call a system that could endure for up to 50 years an "urgent response" to something that many of us in this House seek—an elected and accountable House of Lords.

Hugh Bayley: I am not arguing that clause 29 is the radical, second-stage reform of the House of Lords—nor, I think, are those on the Government Front Bench. It is a good step forward, because it will remove the possibility of any further Members coming to speak and vote in our legislature on the basis of an hereditary principle. That is a modest but important step forward, whereas the radical reform would be wholesale reform along the lines of one or other of the two options that gained support from this House when we voted on the matter. Let us not confuse the two things. This is not the radical reform, but it is an important democratising step forward; and, sadly, the public will see that the Conservative party is opposed to it.

Mr. Leigh: During this debate people have been quite disrespectful about Lord Irvine. However, who knows what went on inside that great mind? At one level, what he did was extremely shrewd. He created a system in which a risible way—to use the Lord Chancellor's words—of having by-elections would ensure reform. There has been a lot of debate about this, so I do not need to go over it again. I just want to say—because nobody else has—that, as so often happens with the law of unintended consequences in our historical development, we have ended up with a pretty good system. Everyone who has spoken so far has played the democratic hand and said, "What I really want is a democratically elected upper Chamber." Some have argued that we must move along the lines suggested by the Lord Chancellor, and others have expressed another point of view, but nobody has said that what we have ended up with is a great British compromise.

I say to my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) that there is nothing wrong with piecemeal reform, and I say to the hon. Member for Cambridge (David Howarth) that there is nothing wrong with shoddy backroom deals. This is how the British constitution—God bless it—has always developed.

Mr. Hogg: If one is content with the powers that currently rest in the second Chamber, there is a lot to be said in favour of my hon. Friend's argument. The problem is, however, that if we want to extend the powers of the second Chamber, the current settlement is wholly unacceptable.

Mr. Leigh: Accepted—but I am entirely content with the powers that the second Chamber has at present. We all know that there are perfectly sound and good arguments for not increasing the powers of the second Chamber. The second Chamber is a good revising Chamber, it does hard work, and nobody is complaining about the quality of its debates or anything else, so let us leave it on one side. We all know that if we have an elected Chamber, it will be stuffed with inferior Members looking for ministerial office. Most of this place is stuffed with people looking for ministerial office—why should an elected second Chamber be any different? Why get rid of something that is doing an excellent job?

However, Mrs. Heal, I do not want to be held to account by you for getting into that wider debate—I want to concentrate on why the compromise brokered by Lord Irvine was a very good one. The Lord Chancellor was extremely rude about the candidates who have been elected under that system. He said that an ancestor of one gentleman had taken part in the massacre of Glencoe—

Mr. Straw *rose—*

Mr. Leigh: Let me finish this point and then the right hon. Gentleman can come back with some bon mot to crush me.

[Mr. Leigh]

What is wrong with that gentleman, just because his ancestor took part in the massacre of Glencoe? It is the old argument that Harold Wilson used against the 14th Lord Home. There was a 14th Mr. Wilson, and there is a 14th Mr. Straw. Perhaps, way back, a Mr. Straw took part in a massacre, but the Secretary of State is a worthwhile candidate.

5.45 pm

Mr. Straw: The difference is that I do not sit in this House because I am the 14th generation after the first Mr. Straw.

Mr. Hogg: You sit here because you were Barbara Castle's private secretary!

Mr. Straw: Yes, but that was different.

The hon. Member for Gainsborough (Mr. Leigh) suggested that I was rude about those who had been elected. I was not; I was mocking how they had become part of that constituency. If they have merit, it could be considered through the merit-based process of appointment to the House of Lords.

Mr. Leigh: The Secretary of State was mocking the process because there may be 30 candidates and only 40 electors. I might have got the figures slightly wrong, but I would have thought that that would mean that high-quality people would apply. It may produce a higher quality of elected candidate than if there were 60,000 electors and one elected person. I do not want to be accused of attacking parliamentary democracy, but we should not assume that the people elected under the current system are any less worth while than those appointed to the House of Lords by any other means. I suspect that such is the nature of the competition to get into the House of Lords through that elected route that the candidates with whom we emerge are of a very high standard.

I do not want to go too far down that road, because that argument suggests that I believe we should defend the constitution entirely in terms of logic. I do not. I defend it in terms of our traditions, our history and what works. Is the royal family entirely logical? Is the House of Lords in any sense entirely logical? Of course, my right hon. and learned Friend the Member for Sleaford and North Hykeham is entirely right. The logical step forward is to have an elected Chamber, but we all know that if we had one, it would not result in better legislation, so why not leave good alone? This is the tyranny of the logical over the practical and of endless constitutional change over what works.

Let us think about this for a moment: is what we have got so very bad? There is a vast amount of expertise in the House of Lords, with people who are not politicians and who have worked all their lives in the professions and in business. They speak only when they have to speak and vote only when they really feel strongly. They do a good job.

This will be a controversial comment, and I know that I do not carry many people with me, except perhaps my hon. Friend the Member for Aldershot (Mr. Howarth), who is a sound trooper in this respect. Is there any harm in making a slight bow to our past by having some hereditary peers? The Secretary of State mocks it, but these people are part of history and part of the fabric of what we are. They do not have a great deal of political power. There are only 92 of them, in a revising Chamber, and we know that they have no power to block any legislation that this House sets its heart on.

Mr. Gerald Howarth (Aldershot) (Con): I am indeed entirely with my hon. Friend. The House needs to bear in mind the fact that so long as the 92 are there, they uphold the hereditary principle and therefore support the monarchy. If they went, it would expose the monarchy as the only hereditary institution in the land. Does he believe that that would endanger the monarchy? I certainly do.

Mr. Leigh: That must be right. I defend the current arrangement as something that, whatever I say, will probably last many, many years. The hon. Member for Cannock Chase (Dr. Wright) is absolutely right that this argument will go on for eternity, and long may it go on. By the way, some argue that the House did a great moral thing and voted for a 100 per cent. or 80 per cent. elected Chamber, but we know that that vote was a farce. Many colleagues deliberately voted for a 100 per cent. elected House of Lords because they knew that no Government would ever wear it.

Mr. Tyrie *indicated dissent.*

Mr. Leigh: My hon. Friend shakes his head, but I know for a fact that many people trooped through the Lobby to vote for the most extreme option precisely to ensure that it never happened. That happens on a lot of occasions in this House, so we should not imagine for a moment that either Front-Bench team or a majority of Members actually want there to be a 100 per cent. elected second Chamber. Do they really want that? Do they want this House battling with, and losing half its power to, an American-style senate? *[Interruption.]* There may be a few enthusiasts in the Chamber, but we all know it is not going to happen. It will not happen—thank God!—if there is a Conservative Government, and I doubt whether it will happen if there is a Labour Government. I like to think that in 30, 40 or 50 years' time, or perhaps on the hundredth anniversary of the 1999 Act, we will still be debating the matter.

Hugh Bayley: I am sure the hon. Gentleman is wholly and utterly opposed to this House adopting electoral arrangements that exclude British citizens who are black, and almost all women, from standing as a candidate. Yet by maintaining this curious, risible system—the words of the Lord Chancellor—for electing 90 of the Members of the other place, we are condoning and endorsing an electoral system that is discriminatory against people of ethnic minorities and women, because they are simply not eligible to be candidates. Surely to goodness that is a good reason to vote tonight to get away from such an absurd electoral system and the hereditary principle.

Mr. Leigh: We all know that the House of Lords has changed dramatically in the past 12 years in terms of bringing in minorities. There is absolutely no bar to any of that happening. The hon. Gentleman is exaggerating by suggesting that there is a vast hereditary peerage exercising great power, but we know that there are just 92 hereditary peers, and that they are a small part of a revising Chamber.

At one level, I am saying only that that puts pressure on the Government to bring in real reform, if that is what people want. However, if that does not happen, I argue that the hereditary peers lend colour to the other place. Do we really want an entirely appointed Chamber and to go along with the Canadian model? The Canadian second Chamber is the least effective second Chamber in the western world. Hereditary peers, and the way in which they refresh themselves through by-elections, add something to the House of Lords. They might be younger and different types of people. We could have a House of Lords that is completely diverse in every respect by appointing everyone, but why get rid of a system that works and that creates pressure for progress? I am just a reactionary, and I do not want any progress at all, so I am very happy with the current arrangement.

Mr. Winnick: I am sorry I was called away earlier and so was absent from the Chamber, Mrs. Heal.

The hon. Member for Gainsborough (Mr. Leigh) has been characteristically blunt and expressed the point of view of a good number of Opposition Members. Let me say that the official position of the official Opposition is that they want a fully elected second Chamber, but they know, as everybody in this House knows, that had it not been for the Labour victory in 1997, there would have been no change in the composition of the House of Lords, which would have remained a largely hereditary second Chamber.

Of course, the hon. Gentleman would have liked that to be retained. He spoke about the hereditary principle, but word for word, he gave the reasons that were given in the years prior to 1997. The arguments for continuing with hereditary peers were put as strongly before 1997 as he put them today. As I said in an intervention, because of the Labour Government, 90 per cent. of the hereditaries went. It is true that there was a prior attempt at reform—I was here at the time—but that was in a very different Bill. Perfectly understandably, there was a cross-party alliance between Enoch Powell and Michael Foot. As far as I was concerned, they were right to do what they did, because that measure would not have resulted in the outcome that many Labour Members wished to see.

The by-elections are indefensible. The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), who used to represent Grantham, said that he was not in a position to go anywhere publicly and defend them, but if they are indefensible, why should they not be changed? I am in favour of the Government's proposals, because having an electorate of four or five is farcical. It reminds me of the situation before the Great Reform Act, when at least some constituencies had only 20 or so electors. Anything that is so indefensible and, frankly, farcical should not be retained.

I do not happen to belong to the group—there are some Labour Members in it—who say that the real solution is the abolition of the House of Lords. I do not take that view, because, as in most democracies, there is a strong case for having two Houses. One thing is certain: if we had only the House of Commons, all the blame would be attached to it. Any measure that was shown to be faulty would be blamed on the House of Commons, because we would have responsibility for everything. Having a revising Chamber is right and proper, but I do not want a change that results in increased powers for the House of Lords. Some say that the powers should be equal, but I certainly do not belong to that school of thought. I want the House of Commons to be dominant. I would strenuously oppose, as I hope the majority in the House would, any change that would give added powers to the House of Lords.

I am certainly in favour of a revising Chamber with no hereditary peers, but I must concede some of the arguments against a fully elected Chamber. Very recently, the House of Commons unfortunately passed, by nine votes—we know how those nine votes were gathered—for 42 days pre-charge detention. I have no hesitation in saying that it gave me a good deal of pleasure that that was rejected by the Lords. I was so pleased that I wrote a letter to *The Times* to congratulate the Lords. I doubt whether the measure would have been rejected if there had been a fully hereditary House. It might have been rejected, but if a Conservative Government had been pushing for it in a hereditary House, it would not.

I accept that a fully elected House of Lords could, to some extent, be a duplicate, whatever the election arrangements. Nothing is perfect, and I accept that there are weaknesses. At the end of the day, a fully elected House of Lords may not be as independent or different from the House of Commons as I would like. That is one of the drawbacks, but all in all, what cannot possibly be defended and justified is for 92 peers to sit in a 21st-century legitimate Parliament simply because their ancestors were given a peerage in the 13th, 15th, 17th or 18th centuries. Surely that is as indefensible as the by-elections that happen when a hereditary peer happens to die. That is why I hope, having done what no other Government have done by ending at least 90 per cent. of the hereditaries, we go further, and end the situation in which 92 hereditaries continue to sit, for the reasons that I have stated. That is indefensible. Any step that can be taken by a future Government to end that would certainly have my support.

Mr. Mark Field: I appreciate that the Lord Chancellor's memory may be failing him as to the events of 2002 and 2003—at least that is how it appears from the Chilcot inquiry—but we need to remind him of the reason for some of the 1999 safeguards that he is now seeking to remove. I entirely agree with the sentiments of my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) in that regard.

Crucially, there is a bloc of 92 remaining hereditary peers, who are kept in place pending stage 2 of House of Lords reform, to which the current Administration have notionally been committed since 1997. I listened with great interest to the passionate speeches from the hon. Members for City of York (Hugh Bayley) and for Walsall, North (Mr. Winnick), but one must ask why so little progress has been made, given that we have had a Labour Government for the past 13 years who have been committed throughout to a democratic House of Lords, and who have had a huge parliamentary majority during the first eight years and a very satisfactory one in the past five.

We had an interesting contribution from the hon. Member for Cannock Chase (Dr. Wright), which went into some of the detail of that history. It is perverse—given the radical reforms made in relation to Scottish and Welsh devolution, for example—that the Government have not moved more quickly on this issue, even as a second-term issue.

6 pm

An integral part of the present system is the superficially anomalous by-election procedures that have been ridiculed in this debate. However, without such procedures—and we have seen some 12 deaths and 10 by-elections since the 1999 arrangements were put in place—we would see the dying off of all hereditaries and with them the safeguard to which I referred. The history of this issue is clear. As the hon. Member for Cambridge (David Howarth) pointed out, House of Lords reform often sees a short and intense burst of activity followed by many decades in which not much else happens. The worry is that Labour would have zero commitment to stage 2 reform if we did not have this safeguard in place.

This proposal is the worst sort of partisan gesture by the Government. Weeks before an election, they are dragging up the issue to try to draw a dividing line and portray my party as the party of privilege for the few and not the many.

Andrew Mackinlay: I am truly bewildered by what the hon. Gentleman has said. What incentive will there be for a Conservative Government to make reforms if this proposal is not passed today? He obviously hopes for a Conservative Government, but what would make a Cameron Government introduce comprehensive reform? We have invited his Front Benchers to comment, but there has been silence.

Mr. Field: The fact is that we have known for almost three years that the settled will of this House has been for a fully or 80 per cent. elected House of Lords. Why has there been a delay when the Government have had a working majority? That is the issue.

Mr. Straw: It is because it has been necessary to translate that decision—the first ever such decision—into legislative proposals and to try to achieve not just agreement across the Chamber but broad, cross-party support. On the issue of the construction of Parliament, I subscribe to the old-fashioned view that it is important that it should not be in the ownership of any one political party. We have worked hard to achieve that, and I am about to publish the major part of a Bill on the issue—I hope that it will have the hon. Gentleman's and his party's active support.

Mr. Field: Again, I have to say that that is far too little, far too late. I would understand that argument rather better if the Secretary of State had not introduced the clause at this juncture. We could have waited and incorporated the clause into any new Bill in the next Parliament, if his party were to win the election.

I have some sympathy—although I do not agree with—the case made by my hon. Friend the Member for Gainsborough (Mr. Leigh). In many ways, much of the constitution is not logical. As he rightly pointed out, having a hereditary royal family is not logical and, if we had started with a blank sheet of paper, we would not have had the House of Lords as it existed before 1997. However, we did not start with a blank sheet of paper: we started with many years of history. My hon. Friend's arguments were persuasive in the run-up to the debate in 1999, but I am afraid that the pass has been lost, and that is why we must now move to a fully elected second Chamber, if we are to have such a Chamber at all.

I am slightly depressed because I fear that my party, if it gets into government, will press ahead and have a raft of new life peers almost immediately both on our side and across the political divide. I wish that we would treat the situation with more urgency and move rapidly towards an elected, democratic second Chamber. In reality, it will be the life peers on both sides who will be the main road block. I endorse the comments by my hon. Friend the Member for Chichester (Mr. Tyrie) when he pointed out that the phenomenal economic difficulties that the incoming Conservative Government will face will mean that their political energy will be directed at correcting those rather than considering some of these grand constitutional issues. As I say, that depresses me, not least because I think that my right hon. Friend the Member for Witney (Mr. Cameron) shares many of my views on this matter. However, such reform will not be an early priority as we do not want our programme to become log-jammed by constitutional difficulties that would be inevitable. Conservative life peers would be just as difficult as Labour life peers in trying to prevent the fundamental democratic reform that is close to all our hearts.

Mr. Greg Knight (East Yorkshire) (Con): I agree with much of what my hon. Friend says, but does he intend to vote against clause stand part on the basis that he does not like the piecemeal approach, or will he vote in favour because it is a step in the direction in which he wishes to go?

Mr. Field: I shall vote with my hon. and learned Friend the Member for Beaconsfield because the system is an important safeguard and I want to see clause 29 removed from the Bill.

Over the past 13 years, the House of Lords has been packed with 174 Labour peers and 66 Conservative peers—402 new members in total. The last thing that we need is yet another sizeable intake of often relatively low-grade members of the House of Lords. I may also be low grade in the House of Commons, but I am elected and in a democracy that matters. Those of us who are standing for re-election will do so some time in the next 15 weeks, and people will have a chance to vote for me or not. We run the risk of having ever more life peers with an unacceptable life-long tenure.

These issues are very difficult. All of us know that we are potentially getting ourselves logjammed into some major constitutional problems. As a slight aside, it is interesting to note, courtesy of *The Sunday Times*, that, in the expenses scandal in the other place, not one of the peers who has taken money for asking questions or for lobbying services—or through their second home allowances—is a hereditary peer. Every one of the 25 or so peers who has so far been accused is a life peer—*[Interruption.]* I am not sure that it is entirely a coincidence. It is wrong that we have packed the House of Lords as we have in the last dozen years. I fear that more is to come.

If we are to have a fully appointed House of Lords, which is where I fear this clause will eventually lead, I would prefer to see it abolished in its entirety. I hope that common sense will prevail and clause 29 will be vanquished. Whoever forms the next Government, I hope that they will rapidly return to this issue—although I fear that that will not be the case—and ensure that we

have a proper, democratic, fully elected House of Lords, whereupon these temporary arrangements for hereditary peers would fall by the wayside.

Mr. Shepherd: It is extraordinary that English gentlemen in revolt against the Crown two centuries ago could form a constitution with a second Chamber. They did so for good reason. We are taking for ever, under the Lord High Panjandrum's ministrations, to gain an inch, and then we are retreating. The proposal before the Committee is that the only elected part of the upper Chamber should be abolished and all the appointees should remain in place. What is the difference? I start from a proposition that has always informed democratic debate: those who make the laws should be accountable to those who bear the laws. Yet we have this extraordinary anomaly that the second Chamber, which this Chamber voted to democratise, remains an appointed House. How can that be, and how can it be that I want an elected House down the passageway there—past the tumbleweed?

An important point needs to be made. Nearly 35 years ago, the father of my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) gave an important Dimbleby lecture in which he looked at the conventions and party arrangements in this Chamber that made tolerable a concept called the sovereignty of Parliament—all the little checks and balances within our procedures and arrangements. We are driven by the desire to legitimise the House of Lords, so that it can be a proper check and balance. I have been a Member for nearly 31 years, as has my right hon. and learned Friend. During my membership of this House, it has increasingly become a tyranny. Largely, there are no checks and balances within this Chamber—it is the rule of majoritarianism. So it was to the House of Lords that my party turned when, looking forward to an age more democratic than was ever envisaged by the present Government, it voted to accept the concept of an 80 to 100 per cent. elected second Chamber.

In answer to the hon. Member for Walsall, North (Mr. Winnick), I give praise in the extraordinary situation where those Lords act gently as a small check and balance. The cry goes up from whomever is on the Government Benches, "This is ridiculous. What legitimacy do they have? This is about the legitimacy of the arrangements in the Lords." Over the years, I have been frustrated by the grip that Governments have had on this House—it has strangled our very legitimacy. We need to have a debate about that. We need checks and balances. That is what all our revolutions were about—to check and balance the power of the Crown. It has taken us a long time to get where we are.

One hundred years later, we are still trying to grapple with the proposition put forward by the Liberal Government early in the previous century of an elected House of Lords. I do not think that that was cynical. I enjoyed the cheerful cynicism of my hon. Friend the Member for Gainsborough (Mr. Leigh)—but that is all it is, in the end. This is a serious proposition regarding the ship of state and the nature of the construction that enables the people of this country to hold to account their Governments. Do we honestly think that we do that?

So I look beyond this place—I think that many other Members do so, too—for a remedy in the other place. For some years, the few checks on this long cavort have been in the hands of the Secretary of State, sitting on the Bench there. The matter has been danced around, but there is no consensus, and I am as frustrated as anyone about this reform stuck in the Bill. What is it? To get rid of the one elected element of the House of Lords? Are we not to question why 40 per cent. of the Members of the House of Lords come from the south-east of England? Of whom are they representative? They are professional people representing special interest groups. Yet they stand as our last defence in the sorts of causes mentioned by the hon. Member for Walsall, North—our freedoms, 42-day detention, and our historic rights and liberties. That was our function, but it has gone. So I support my Front-Bench colleagues on this matter. I do not want to trade off, for a gesture by the Labour Government—sinking fast as they are—the little block and niggle that might one day drive us to find a solution for a properly elected, accountable House of Lords.

My right hon. and learned Friend the Member for Sleaford and North Hykeham made a point about franchise. We do not want to replicate this Chamber. We want to give the Lords the democratic legitimacy to say, "We think you are wrong. We do not agree." The oldest democratic constitution of which I know is the American constitution. It has survived for more than 220 years, and we are still fiddling with the abolition of the elected Lords, who constitute a small proportion of that House—I say "we", but I am not! What do the Government do? Who appoints these Lords? Look at it. I presume that a swathe of retired Conservative Members will be pushed into the Lords, although, of course, that will be to give some balance, and undoubtedly they will be the most competent Members. But why?

6.15 pm

I do not share the cheerful cynicism of the hon. Member for Cannock Chase (Dr. Wright). It startled me in a sense, because it was so weary a speech. Where are the fire and belief that we can accomplish something? "Oh, experience of this tired old House has taught me", he told us, "that we muddle along, and what difference does it make? Somehow we'll get through it all." That is true, but there is no sense of an ideal there. This place was built in the democratic age on the ideals and aspirations of the party that he represents and on behalf of which the Lord High Panjandrum, the Secretary of State, is now promoting his ambitions. That party was an agent for change. It was not the only one by any means. My own party has had a role in this, as too did the Liberal party and the trade unions. That was the voice of the people. This House used to march to that tune.

I want checks and balances, so I will not support the clause. By removing elections, the Lord High Panjandrum will feel that he has accomplished something, but he will not have. This has been at root a failure. I cannot discern any successes in any of the policies that he has promoted to the House over 11 years. I will give a prize to whomever can name one. Here we are, dug in, making no progress whatever. We have to reach out and stand for something. Those who make the laws shall be accountable, and furthermore there must be more of the checks and balances that make for proper exchange and debate across this Floor. I shall, therefore, support my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) in the Lobbies.

Mr. Tyrie: First, I think that it is extremely unlikely that this Bill, and certainly this clause, will end up on the statute book, and I suspect that the Government know that. Nothing controversial will get through in the wash-up, so we are having an academic debate.

My second point is in reference to my hon. Friend the Member for Gainsborough (Mr. Leigh), who unfortunately is no longer here. He talked about the tyranny of the logical and praised reaction. It might surprise him, if he reads *Hansard*, to discover that I think there is something to what he says. Burke said that politics ought to be adjusted, not to human reason, but to human nature. There is a lot in that. Institutions, above all, should be organic, and traditions and customs play an important role in that. However, it is also important constantly to be reconciling that organic development with an undercurrent of logic and reason. That is why we cannot carry on with the House of Lords as it is. It is not enough to say that it is refreshing that we have by-elections of hereditary peers and that they add a bit of colour—that was another phrase used—to the other place. That will not do at all. I do not see how I can oppose a clause that will remove the hereditaries, so I shall support clause 29 in the Lobby.

There are two issues to consider—one of principle and one of political tactics. The issue of principle was not much discussed in the first half dozen exchanges, but it has started to be discussed near the end of the debate. The point of principle is very straightforward—it is the one that we have just heard and which we also heard from the hon. Member for Walsall, North (Mr. Winnick).

In the 21st century, there should be no place in our Parliament for people who have inherited the right to make our laws. It is very straightforward. Some people may disagree with that, but there are not many of them and they are completely out of step with the electorate and the spirit of the age. Allowing hereditaries to continue to sit in the second Chamber can only erode the credibility of our Parliament and only weaken the second Chamber, making it more difficult for it to perform a meaningful constitutional role. Clause 29 will do no more than end the absurd by-elections—"risible" and "absurd" were the words used by the Secretary of State—that would otherwise keep the hereditaries going in perpetuity under the current legislation. We have had numerous quotations from Lord Steel about Old Sarum, and the absurdity of those by-elections tells its own story. They do no credit to our parliamentary system.

Mr. Mark Field: Does my hon. Friend not recognise that the credibility to which he refers applies equally to all the life peers in the House of Lords? However undesirable and risible the electoral system might be, at least in the election for the Labour vacancy to which we have referred the peer concerned won two votes, which is two more than any life peers have ever won.

Mr. Tyrie: That is a little tough on the life peerage. I do not carry any cards for the life peers, but one can make a case for saying that quite a few of them have done something in life that at some point has led people to think that they will be able to make a contribution. Furthermore, some of them—perhaps some of the unlikely ones who have been put there—turn out to make very good contributions.

Mr. John Hayes (South Holland and The Deepings) (Con) *rose*—

Mr. Tyrie: I will give way to my hon. Friend, but I do not want to give way too much, because this debate has gone on for rather a long time and I can sense that that is the mood of the Committee Chairman.

Mr. Hayes: I am grateful to my hon. Friend for giving way on that basis. He always dances elegantly between reason and common sense—indeed, he gave a nod in the direction of conservatism, for which I suppose we must be grateful—but I wonder where, in his attack on hereditary power, he sees the monarchy. I did not know that he was a republican and I am rather surprised to hear that he is. If he is indeed a republican, I would like him to describe his views in slightly more detail.

Mr. Tyrie: I had the impression from that intervention that my hon. Friend thinks, if one is exercising reason, one could not possibly be a member of the Conservative party, but I will have to look at *Hansard* to check. As for the monarchy, I cannot see any connection and I am not going to persist.

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. I do hope that the hon. Gentleman is not tempted to stray down that path.

Mr. Tyrie: I am not at all keen to pursue that argument, but if I may be permitted a one-sentence reply, I do not see any necessary connection between retaining the hereditary principle for a constitutional monarchy and having a bicameral elected Parliament.

This Labour Government should be ashamed of themselves. They should be ashamed of the fact that the clause is necessary in the first place. Labour will probably leave office in a few months, having reneged on its crucial pledge to replace the hereditary peerage with a fully democratic House of Lords, and that after 13 years and two Parliaments of gigantic majorities—indeed, they have been unprecedentedly large in modern times. We need to remind ourselves that we are debating clause 29 because Tony Blair—not anybody else—stitched together a cynical deal with Lord Cranborne to retain the hereditary peerage. However, even after the passage of clause 29, it will take another generation for the remaining hereditaries to go. As it happens—and this point has been made by one or two people—many of the remaining hereditaries have been diligent and have tried hard to make the work of the House of Lords more meaningful. I agree with my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) on that point. However, the fact is that there cannot be a place for hereditary legislators in a 21st-century Parliament. That is simply an unanswerable point of principle.

However, that still leaves the point made from the Front Benches, which deserves a great deal of care and attention, about the question not of principle, but of political tactics. The argument that was used at the time to justify the deal—it was also the one that led my party to vote for it in 1999—was that the hereditaries would be kept as hostages until a more radical and democratic reform proposal came forward. I wish it were like that, but the truth is much more tawdry. It suited both parties to do that deal. It suited Labour to keep a weak House of Lords without a democratic mandate in place for as long as possible, because it knew that it would be in for trouble if it did anything else. As for the Conservatives, the party was in a considerable state of disarray at that time. The Lords were close to open rebellion and Lord

Cranborne had to be sacked from the Front Bench—in fact, he was sacked by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) shortly prior to that vote. The only semblance of an opportunity to act as a check on the Government, faced with such an unprecedentedly large majority, was the House of Lords, and frankly it was risky to offend it further.

The truth is that what emerged was a shabby deal that confers little honour on anyone involved. I am not sure whether dishonourable deals confer further dishonour on those parties that break them afterwards, but that is what we need to think about before deciding whether there is any point of honour that should be fulfilled by either side. The idea that we created hostages for change was, in any case, dealt a hammer blow during the passage of the relevant clause in the other place. The amendment was moved by Lord Weatherill from the Cross Benches, who made no secret of his preferences. He let the cat out of the bag when he described the possibility that his amendment might put off further change indefinitely as

"a consummation devoutly to be wished."

Already more than a decade has passed. Those of us who want a fully functioning democratic second Chamber need to make a judgment: will the retention of the hereditaries be a brake on further reform or a spur to more change? That is a difficult and balanced judgment, but I have come to the conclusion that the hereditaries are not hostages for change or democracy; rather, they are hostages for inactivity and delay. I recognise that hon. Members in all parts of the Committee might disagree with that judgment, but it is the one that I have come to this evening.

Given that, as I said at the start of my speech, it is unlikely that much or any the proposed legislation will end up on the statute book, the point of principle seems to me to be crucial and, as a matter of a principle, I cannot support in the Division Lobby the retention of hereditary legislators.

Mr. Straw: With the permission of the Committee, I would like briefly to respond to part of this debate. I commend all who have spoken for the high quality of the debate—it was witty, too—and for the seriousness of the discussion that has been provoked by the important issue sparked off by this relatively modest clause.

Let me deal first with the suggestion, made not least by the hon. Member for Cities of London and Westminster (Mr. Field), that the clause is some partisan device. I say to him and those on his Front Bench: it is not. The only way in which it could conceivably be made a partisan device would be if the Conservative party thought in error that there was some reason, to do with Conservative party philosophy and ideology, that required it to vote against the clause. However, I would suggest that there is no such reason. I do not presume to be as expert on Conservative ideology and philosophy as Conservative Members are; however, I would suggest that the hon. Member for Chichester (Mr. Tyrie) does have some claim to that. I therefore hope that his right hon. and hon. Friends will take note of the fact that he has just said that he intends to vote, on a point of principle, with the Liberal Democrats and the Labour party for the clause.

The clause is not remotely partisan; nor is it, just to repeat the point, in any sense designed to harm the Conservatives' representation in the other place. Let us be clear about that. I am glad that the hon. Member for Cities of London and Westminster is nodding to suggest that he understands that.

6.30 pm

The clause will not affect any of the existing hereditaries. If the clause becomes law, as I believe it will, it will be open and normal for the leader of the relevant political party to make a nomination in the case of a vacancy following the death of an hereditary peer—as it is in the case of a life peer. Even if those who had been elected as hereditaries had sufficient merit in the eyes of the Conservative party leader, for example, there is every reason for them not to be nominated, for them not to sit in the other place as life peers—measured against the claims of anyone else to sit there in an appointed Chamber—and for them not to be drawn from the completely ludicrous constituencies that have been mentioned. Not a single person who has spoken today has defended that system of election. Indeed, the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said that he was not going to take to the stump to defend such a system, and he is quite right; the truth is that it is indefensible.

Yes, there was a deal, and that is why the 90 ended up in the House of Lords. If the hon. Member for Chichester were to ask whether I would personally have done that deal, the answer would be that I do not think so. I am always careful to say, "I do not think so", because it is one thing to score goals from the sidelines, but quite another to be in the shoes of the person taking part in the negotiations. Something that was not shoddy but honourable, however, was the desire of Lord Irvine and the Labour party of the time to try to reach an agreement, and not to use our huge majority to drive through these measures under the Parliament Acts. I have had to use the Parliament Acts on two occasions, and it is not a particularly happy experience.

It has been suggested that we should not do anything until we did everything, or—in the words of my hon. Friend the Member for City of York (Hugh Bayley)—that we should make the best the enemy of the good. All the arguments against doing that remind me of the wonderful skit on academic politics written in 1908 by the Cambridge philosopher, F. M. Cornford. In it, he said:

"There is only one argument for doing something: the rest are arguments for doing nothing."

He then went through all the arguments for not doing things, which included the principle of unripe time, the principle of the wedge and the principle of the dangerous precedent. He concluded:

"It follows that nothing should ever be done for the first time."

Frankly, the arguments that have been advanced by the Conservatives today come down to the idea that the time is not ripe, given that no one has been prepared to defend the principle of elections of hereditary peers.

The deal was made 11 years ago, and no one anticipated that we would be here debating this now. We were asked whether we were at the next stage. Yes, we are proceeding to that, and it will happen next month with the publication of the major part of a draft Bill.

On the issue of the measures being piecemeal, I would simply say that it is possible to parody any legislation at the time of its introduction. With the single exception of the 1689 Bill of Rights, all legislation

has been piecemeal. The Reform Act of 1832 was actually relatively modest in scope. It took another 60 years to get anywhere near a universal franchise for men, and 100 years to achieve a franchise for women. The Parliament Act 1911 was seen as a relatively modest interim measure, yet we now see it as having huge importance.

My record on the Freedom of Information Act 2000 has been mocked. The damnation of it by the Opposition was that it was not much more than a recapitulation of the non-statutory freedom of information code, although I did not agree with that. I think that the facts speak for themselves. The Human Rights Act 1998 might have been dismissed as piecemeal, but that is not what is said about it now. So far as the House of Lords is concerned, the Life Peerages Act 1958 could have been seen as piecemeal change—

Andrew Mackinlay: It was radical for its day.

Mr. Straw: Indeed, and it was of major importance. The House of Lords Act 1999 has changed the composition of the other place, as well as making a major difference to its assertiveness. It has led it to being much more active in regard to change.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Is the Secretary of State saying that, when the history books are written, clause 29 will be a shining highlight of the reform of Parliament?

Mr. Straw: No, that was not the point that I was about to make.

I was going to say that we should not make the best the enemy of the good. There seems to be no one who will defend the principle behind the election of hereditary peers. No one has done so today. Every argument has been a body swerve. Furthermore, we all believe that this will be a step, albeit a modest one, towards reform. I hope that everyone accepts that keeping the hereditary by-elections would not be a provocation for further reform but simply a blockage to the further reform to which all the parties are apparently committed. If we add all that together, we can see a strong case—which was made most eloquently by the hon. Member for Chichester—in favour of this change, and not much of a case against it. With that, I commend the clause to the House.

Question put, That the clause stand part of the Bill.

The House divided: Ayes 318, Noes 142.

Division No. 59] **[6.37 pm**

AYES

Ainger, Nick
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brake, Tom
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Farrelly, Paul
Farron, Tim
Field, rh Mr. Frank
Fiello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Lazarowicz, Mark

Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Rogerson, Dan
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, Dr. Richard
Teather, Sarah
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Younger-Ross, Richard

Tellers for the Ayes:
Mark Tami and Mr. George Mudie

NOES

Afriyie, Adam
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Blunt, Mr. Crispin
Bone, Mr. Peter
Bottomley, Peter
Brazier, Mr. Julian
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Butterfill, Sir John
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorries, Nadine
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robertson, Mr. Laurence
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Smith, Chloe
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Vara, Mr. Shailesh

Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. Stephen Crabb and Jeremy Wright

Question accordingly agreed to.

Clause 29 ordered to stand part of the Bill.

Clause 30

REMOVAL OF MEMBERS OF HOUSE OF LORDS ETC

Mr. Tyrie: I beg to move amendment 92, page 15, line 32, at end insert

'or a term peer within the meaning of section [Term peerages] of this Act'.

The First Deputy Chairman: With this it will be convenient to discuss the following: Amendment 93, in schedule 4, page 52, line 36, after '(c.21)', insert

'or a term peer under section [Term peerages]'.

New clause 25—*Life peerages*—

'(1) The Life Peerages Act 1958, is amended is as follows.

(2) In section 1(1), after "life", insert "or such other period as may be specified in the letters patent".

(3) In section 1(2), after "conferred" insert, "or at the end of such other period as may have been specified in the letters patent".'.

New clause 47—*Term peerages*—

'(1) Her Majesty shall have power by letters patent to confer on any person a term peerage having the incidents specified in subsection (2) of this section.

(2) A term peerage conferred under this section shall entitle the person on whom it is conferred—

(a) to rank as a baron under such style as may be appointed by the letters patent; and

(b) subject to the relevant provisions of sections 30 to 33 above, to receive writs of summons to attend the House of Lords and sit and vote therein accordingly.

(3) Subject to subsection (4), a term peerage conferred under this section shall expire on the appointed day of poll for the third General Election after the day on which the term peerage was conferred.

(4) Where a period of two years or less has elapsed from the day of conferment of a term peerage under this section to the day of poll for a General Election, that poll for a General Election shall be disregarded for the purposes of calculation under subsection (3) above of the time of expiry of that term peerage.'.

Mr. Tyrie: This is a relatively modest proposal that I worked up last year with my right hon. Friend the Member for North-West Hampshire (Sir George Young). New clause 47 and the consequential amendments will create a new class of peerage: term peers. As their name implies, term peers would be appointed for a fixed period rather than for life. The length of their term could and probably should be based on the approach already agreed by the major parties in their discussions on the make-up of a democratic Chamber—namely, that a predominantly elected second Chamber would comprise those serving a single long and non-renewable term of probably three Parliaments.

The term length was a proposal that came out of the talks on the White Paper, but I recognise that, in the search for consensus, some further changes could be considered for the way in which term peers are appointed, which concerns the Liberal Democrats.

I am proposing a modest step—certainly much more modest than the democratically elected second Chamber that I believe the British people deserve. If I thought that a democratic option could get through by consensus at this time, I would support it wholeheartedly, but I know that it will not. If we tried, the result would be a controversial Bill leading to a huge row. As I said, the plain fact is that the British people would find it extraordinary if the next Government, faced with the biggest economic mess since the 1930s, with the highest level of debt to GDP and the highest deficit since the second world war, decided to embark on a major constitutional upheaval. As my hon. Friend the Member for Cities of London and Westminster (Mr. Field) said, such a reform would absorb all the political energy of this place for at least a year. It would be irresponsible to engage in that with so many crucial economic questions facing us.

However, all three major parties support democracy for the Lords. It is also true, although the figure is not often mentioned—my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) did mention it—that 59 per cent. of Conservative MPs voted in 2007 for a largely or wholly elected second Chamber. There were even higher majorities in favour of democracy in the Labour and Liberal Democrat parties. The point has been made that some of that voting might have been tactical; of course that is true, but some of the voting against democracy might have been tactical, too. That tells us absolutely nothing. The fact is that there is a clear majority in this place for democracy—there probably has been for a long time. It is regrettable that using their large majorities the Labour Government have not found an opportunity to take us further down the road.

The problem is that any major Bill simply would not get past the Lords. I have no doubt that the Lords would oppose it. An early Bill to introduce democracy for the second Chamber would lead us straight into a constitutional crisis that the public would not understand, even though two thirds or three quarters of them support such a measure. They will rightly expect the Government to get on with the economic crisis in front of us.

By contrast, the term peers measure will not cause a constitutional crisis. Its advantages would be relatively modest, but they are at least straightforward and I hope that colleagues will agree that they are worth having. First, they would take the House of Lords a step along the road of what Lord Jay, the Chairman of the House of Lords Appointments Commission, described as moving along the curve from honour to job. We need a Chamber of people who are committed to fulfilling a parliamentary role and to doing a job of work in the 21st century, not a status House or a legacy status House. There is an increasingly important job for the second Chamber to do and the term peers proposal will increase the chances of getting a higher degree of commitment and quality from the people who are put there to do the job.

The second argument in favour of the proposal is that a major problem of the existing House would be addressed: the inevitable upward ratchet in the size of the House, given the way that it is presently constituted.

The Government have been concerned about that problem, which occurs because an incoming Government inevitably want to make sure that their party is the largest single party in the Lords. The first thing that they will do under the existing rules—they have no choice—is to appoint a large number of life peers. Of course that life term is likely to be longer than the average life of the incoming Government and so those peers will still be there afterwards, leading to a ratchet effect each time and to an ever larger House. That becomes even more true as parties, as they have begun to do, seek to appoint somewhat younger lifers in order to get plenty of work out of them. That means that the peers will be there for even longer, even before we take into account increased life expectancy. The Lords will continue to grow.

At 740 Members, the Lords is already the largest democratic Chamber in the world—if we exclude the Chinese national party congress, which is the only other chamber as big. Britain, as far as I know, is also the only bicameral democracy with a second Chamber larger than the main Chamber, which is quixotic. Ending the ratchet will be hugely valuable and term peers will take us a long way down the road to dealing with it.

A third reason for supporting term peerages might seem paradoxical—particularly coming from me—but it is that the proposals would leave the existing life peerage wholly unaffected. That would minimise the risk of friction as term peerages are introduced. Should the parties decide so to do while in government, life peerages could be phased out or brought to an end, so the life peerage could be replaced by the term peerage, albeit quite slowly. That was how, gradually—not immediately—the hereditary peerage was phased out after life peerages were introduced in 1958.

Given that, for various reasons, neither party has the stomach for fundamental reform of the Lords and that this is probably an inappropriate moment in the economic cycle to attempt such reform, we need to make the best of what we have—the existing House—and I hope that this modest proposal will achieve that. It will provide the maximum benefit with the minimum disruption and it will address the ratchet, so I hope that it will be supported by Members across the House.

7 pm

Mrs. Laing: It was interesting to hear the reasons given by my hon. Friend the Member for Chichester (Mr. Tyrie) for tabling this helpful and illuminating amendment. The Conservatives do not stand in the way of reasonable reform; we are very much in favour of it. No institution can remain static lest it stagnate, and it is important that reasonable steps to reform should be carefully taken. The vast majority of Members of this House are agreed that some sort of reform of the other House is necessary, and I am pleased that he has tabled these carefully considered amendments. The amendments and new clauses, taken together, may well provide a useful transitional measure while we await—it might take yet another 11 years—the Government's final proposals for the proper debate on and reform of the other House.

I also agreed with what my hon. Friend said about Lord Jay, because it is right that in considering the appointments process in the House of Lords we should be moving along that curve from honour to job. Almost all of us are agreed that sitting in the upper House is a serious time-filling job, and one of responsibility. The upper House is a brilliantly effective reforming Chamber.

Mr. Heath: It is a brilliantly ineffective reforming Chamber, but it is a brilliantly effective revising Chamber.

Mrs. Laing: I do not disagree with the hon. Gentleman, because the Lords is more of a revising Chamber than a reforming one—I am perhaps rather taken up with the idea of reform this evening. As I have said, I am all in favour of reform, but it should be carried out at the right pace and in a reasoned and logical way. As he rightly says, the Lords is an effective revising Chamber and the people of this country deserve to have as effective an upper Chamber as possible. Amendment 92 and the associated provisions might make the House of Lords more effective.

My hon. Friend the Member for Chichester was right to make the point about the size of the House of Lords, and his argument was persuasive. In redressing the balance of numbers among the parties in the other House, every new Prime Minister rightly has the power to appoint more peers and does so. As a result, the size of the Lords grows and grows. Thus, my hon. Friend was right in his analysis, in his comparison of our bicameral system with other such systems, and in his comparison of the number of people sitting in the Lords with that in any comparable Chamber in the democratic world. Rather than leaving the culling process—I hope that I may call it that—in order to limit the size and overall membership of the Lords to the grim reaper, as the hon. Member for Montgomeryshire (Lembit Öpik) put it, it would seem sensible for us to consider the possibility of introducing term peerages.

As a matter of principle, the Conservatives are always in favour of strengthening Parliament and thereby strengthening democracy, and my hon. Friend's proposals could be a small step in strengthening democracy. They are no substitute for full, considered reform, but he is not pretending that they are. They are possibly a small step in the right direction and for that reason we will not be opposing them.

Dr. Tony Wright: The hon. Lady just said in closing that she would always support measures that strengthen democracy. The only trouble is that she has just voted, along with her colleagues, to maintain the hereditary peerage, so it is difficult to make out a coherent case.

Mrs. Laing: The two acts—strengthening democracy and voting as we have just done—are entirely correct and compatible. *[Interruption.]* Contrary to what the Minister is saying, they are totally compatible. One of the main reasons why we voted as we just did was to show how much we appreciate the importance of an undertaking—a promise—made by the Government of the United Kingdom; it is a promise that should not be broken. That is about strengthening democracy; if the Government are allowed to break promises, democracy is not strengthened.

The First Deputy Chairman: Order. The hon. Lady is very experienced, so she will be aware that her interventions should be brief. I think that she has made her point.

Dr. Wright: I concede that in a different logical universe there is a consistency to what the hon. Lady is saying.

I wish briefly to say something in support of the proposal made by the hon. Member for Chichester (Mr. Tyrie) for term limits. The only thing that gives me pause for caution is that he said in his previous interesting

[Dr. Tony Wright]

speech that everything we are saying today is irrelevant and that all this is an academic exercise, because it will not happen. Given that spirit, I am on his side, because I think that term limits would contribute something interesting to a package of reform measures, for the reasons that he has outlined. The biggest reason relates to the looming problem of the number of peers in the second Chamber. I have come to think that House of Lords reform will eventually be driven not by any great principles that we may hold, but by the need to attend to problems that we can no longer avoid addressing.

Perhaps the biggest of those problems is the exponential growth in the number of Members of the Lords, for the reasons that the hon. Gentleman has described. It will make the place completely unmanageable and something will have to be done. The other measures in the Bill—the removal and retirement provisions—will help, but far more is required, and the move to term limits is sensible. All of us who subscribe to one or other version of House of Lords reform usually include term limits as part of our package. Even those in favour of a wholly democratic House usually have term limits as part of the package that they advance. That is entirely consistent, whichever direction one is coming from.

We all have our own approach to House of Lords reform, and we all recite it at every possible opportunity. We are all wholly unmoved by what other people say when they describe their position; that is one great feature of this debate. We never change our positions, but simply repeat the positions that we have always held on the issue. I long for the day when someone says that they have just heard an argument that has persuaded them that we should move in the direction of election or appointment. That never happens. Year in and year out, there is simply a repetition of the positions that we hold, immune to argument, and I am as guilty of that as anyone else.

With that proviso, let me just say, as someone who has always been in favour of a vigorously mixed House, that as long as one can defend the integrity of the ingredients of the mix, in reasonably democratic terms, term limits contribute something to that mix. Whatever we do, in a mature sense, about changing the composition of the House of Lords, or if we simply want to attend to the problems of today, term limits are a sensible ingredient in the package of measures that we are being offered in the Bill today.

Mr. Hogg: May I join the consensus? It is rather cheering that so far there has been total consensus of view among hon. Members who have spoken. Indeed, I ventured to table new clause 25, which has the same purpose as the amendments tabled by my hon. Friend the Member for Chichester (Mr. Tyrie).

I, too, favour fixed-term peerages. I came to that position after balancing the arguments, because there is, in fact, an argument the other way. That argument, which in the end I did not accept, is that life peerages add to the independence of mind of the individuals who are made life peers, because they know that they will be in the Lords for ever, as it were, and have nothing to fear. When Members are independent in that sense, there is a more independent second Chamber, and I am strongly in favour of that.

That is the argument on one side, but there are counterbalancing arguments that I accept and prefer, and my hon. Friend advanced them. There are four of them, and I can set them out very briefly. First, the second Chamber is too large. My hon. Friend spoke about the ratchet effect; he is wholly right, and the second Chamber will get still larger after this coming electing.

Secondly—we have to deal with this point with a degree of caution—many noble Lords have, in fact, made their contribution, and have perhaps a limited contribution yet to make. That is because age has an impact on even the most able. That is, of course, recognised in judicial appointments. When my father was Lord Chancellor, judges could go on for ever, and often did. That became quite bad news for some litigants. The truth is that we recognise that through a retirement age. We do not have one in the other place, and that is not always a good thing.

My hon. Friend the Member for Chichester, echoed by my hon. Friend the Member for Epping Forest (Mrs. Laing), made the important point that being in the other place is not just an honour; it is becoming a job—an important job that contributes very much to our constitution. If it is a job, it should be a job only for as long as a person is capable of doing it. In parenthesis, may I say that the other place would be sensible to look to salaries, rather than allowances? We all know the problems relating to allowances, so if it is a job, the other place would do well to consider a salary.

I have one further point to make, and it relates to GOATs. The House will be conscious of what I mean by GOATs—Ministers in a Government of all the talents. A number of noble GOATs appointed to the other place found that their ministerial functions entranced them only for a few months, but thereafter they were able to graze on the red Benches indefinitely. That is slightly distasteful to the public as a whole. That is not my principal argument in favour of fixed-term peerages, but it is a consideration that this Committee might want to take into account.

7.15 pm

I have two further points to make before I sit down and allow the hon. Member for Somerton and Frome (Mr. Heath) to speak. First, the terms should be quite long. How long is a matter for debate, but they should last for some significant time—certainly more than two Parliaments—so that there is a degree of continuity in the other place. Also—this is a slightly different point—that would enhance the sense of independence that I think is so important.

Mr. Mark Harper (Forest of Dean) (Con): To pick up on my right hon. and learned Friend's point about GOATs, if someone is appointed to the other place specifically to be a Minister, does he think that the term of their peerage should be tied to the length of time for which they hold that office? Once they cease to be a Minister, should they not cease to be a Member of the other place?

Mr. Hogg: That is a very serious point that I have considered. Probably, one cannot be doctrinaire about it. I am inclined to answer that question in an ad hominem way. If I were the Prime Minister, I would be

inclined to ask myself whether the GOAT in question was likely to make a continuing contribution after he or she ceased to be a Minister. If the answer to that was no, I would appoint the GOAT for the period for which the GOAT was likely to remain in the field, and not beyond. If, on the other hand, I thought that the GOAT was likely to make a continuing contribution to us all, I would give the GOAT a longer expectation of life.

My final point is on reappointments. Assuming that we go down the road of fixed-term peerages, which I commend to the Committee, and assuming, too, that the period is quite long, we might well find, at the end of the stated period, that the person still has a real contribution to make. I hope that in those circumstances, the person could be reappointed for a further term, albeit a further term of significantly shorter duration than the original term. That does not fall within the scope of the amendments—I do not think that it has to—but it is a proviso that I would make to the Committee.

Fiona Mactaggart (Slough) (Lab): At the risk of making this all fuzzy and warm, I, too, welcome the proposals set out by the hon. Member for Chichester (Mr. Tyrie). I abhor appointment to a democratic Chamber. It is ludicrous and embarrassing, and we should be ashamed of our constitution, but his proposal is less ludicrous, embarrassing and shameful than the situation that we would otherwise be stuck with, and I therefore think it sensible in the circumstances.

It is interesting to consider what we are debating. We are debating how to end people's term of office in the House of Lords and how they should be removed. We are not proposing giving the people of this country the power to remove them—a power that, thank goodness, the people of this country have over us. I look forward to the day, hopefully when I am still a Member of this House, when the people of this country get that power.

It is worth looking at who else has the power to remove Members of this House. In clause 30, there is a power to remove Members of the House of Lords if they commit a particular kind of criminal offence or become bankrupt. There is a provision that if Members of this House are sectioned under the Mental Health Act 1983, they can be removed.

The First Deputy Chairman: Order. I ask the hon. Lady to recall that that subject would come under a clause 30 stand part debate, rather than this debate on amendment 92.

Fiona Mactaggart: I stand corrected. I hope that this is a matter we can address very quickly, and I shall stop talking about this very sensible amendment.

Mr. Heath: I forbore to stand to catch your eye earlier, Mrs. Heal, because I wanted to listen to the hon. Member for Chichester (Mr. Tyrie) and the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) discuss their amendments and new clauses.

I shall maintain the spirit of consensus that has predominated in this debate, but not because I believe for one moment in the concept of appointed term peers or non-term peers. I am wholly against that concept. As most hon. Members know, I have always argued in favour of an elected second Chamber, but the amendment has some merits in the context—and only in the context—of an unreformed House and how we might limit some of the more deleterious aspects of its form and function at the moment. One thing that I have noticed about those who are elevated to another place is that they tend very quickly to believe that the process by which they were elevated must be extremely wise and sensible given the outcome, which is that they are now a Member of that House. The longer they stay in the House, the more they are convinced of that fact and the less likely they are to change.

The merit of what the hon. Member for Chichester has proposed is that it provides an envelope for that patronage to end. That must be right. It limits, at least to a certain extent, the effect of prime ministerial patronage. I also think that it would have the function of focusing those who were in that House for a limited period on the job that they were there to do. A great number of life peers, particularly those who have been recently created, seem to have only the haziest view of their function as members of a legislature, as evidenced by the fact that they rarely attend. When they do attend, it is usually on a matter that directly affects them rather than because they have any view of their function in a working democracy. The fact is that the work of the other House is carried out by a very limited number of people. All credit to those who shoulder the burden—they do a terrific job—but the fact is that many Members of the other House are rarely seen and rarely contribute.

Mr. Hogg: The truth is that the less the House of Commons scrutinises legislation, the greater the burden on their lordships in their purpose of scrutiny.

Mr. Heath: Precisely so. It irritates me enormously when someone has the perks and honours associated with membership of the other House but does not do the work involved. It is sad to say that a lot of them do that. We might feel that some Members of this House, on occasions, contribute relatively little, but at least they occasionally turn up to vote. Some in the other place do not even find that that is a necessary part of their function.

As I said, I think that term limits might focus the view of those who receive such preferment on the role that they are expected to perform. My only quibble, which was mentioned by the hon. Member for Chichester, is the time period for which they might be expected to serve. He mentioned three Parliaments. I would be happy with that if we had fixed-term Parliaments, but we do not. Having a specific time might be better than expressing it in terms of Parliaments, because there would not be a direct relationship between the peer's activities in the other House and elections to this House. However, I am a strong advocate of a fixed-term Parliament in any case, which would solve that difficulty.

I have to say that I do not agree with the arguments made by the right hon. and learned Member for Sleaford and North Hykeham in favour of reappointment. There is a considerable benefit in not having reappointments, largely for the reason he enlisted in favour of some of the things that he said—that is, independence. When people know that there is nothing to be gained by reacting positively to the prospect of future advancement or patronage, they have an independence of mind that might not be quite as strong in other circumstances. If we have a fixed term without the possibility of reappointment, that frees anybody who is in that position

[Mr. Heath]

from the sometimes adverse attentions of the Whips or party colleagues. They will clearly be free to speak their own minds.

An interesting and important point mentioned by the right hon. and learned Gentleman at the end of his comments and picked up on by the hon. Member for Forest of Dean (Mr. Harper) is the position of Ministers. I take a view, which is not shared by everybody, that we should not have Ministers appointed from the House of Lords anyway. Ministers should come from this place and should go along to the House of Lords to argue their case for particular legislation and we should remove yet another tier of patronage. However, that is not the position at the moment.

Mr. Hogg: I understand the hon. Gentleman's point. May I put this slightly different question to him? Given where we now are, would he support Ministers in the other place being able to come to this place to respond to questions and perhaps to advance arguments in debate?

The First Deputy Chairman: Order. I am afraid that that question, interesting as it might be, is not relevant to the amendment that we are discussing.

Mr. Heath: I accept your guidance, Mrs. Heal.

On term limits for Ministers appointed as Ministers to the other place, I think that there is a very strong argument—we dealt with this in our cross-party discussions on the future of the House of Lords—that, if someone is appointed as a Minister, the term should be for the duration of their role in the Administration. There is no argument for its coming automatically with a permanent seat or even a 15-year seat or whatever in the House of Lords. It should be an ad hoc position, if it is our view that Ministers should continue to be appointed from that House. Entry to the House should be for the duration of the time for which that person is a Minister.

If there is then an argument that the person involved has performed distinguished service, perhaps in the role of Secretary of State, and merits a term peerage, so be it. Their appointment should not be a disqualification from a term peerage, but it should not automatically be assumed that because someone has been an Under-Secretary for a few weeks that person merits a permanent place in the revising Chamber of our legislature. That seems to me to be an unanswerable argument.

I would have preferred it if this amendment had included a section on Ministers, but I appreciate the fact that we are talking about a principle. It is a principle on which we will divide, if the hon. Member for Chichester presses his amendment to a Division. I shall recommend to my right hon. and hon. Friends that the amendment should be supported. I shall not do so, however, because I think that it is a perfect amendment or that a reformed House of Lords with term peers in it would be a reformed House of Lords. It would be just slightly better than what we have at the moment and I suppose that any advance is better than none.

Mr. Mark Field: I want briefly to contribute to the debate. I agree very much with the sentiments expressed by the hon. Member for Somerton and Frome (Mr. Heath). I, too, want to see a full democratisation of the House of Lords. In many ways, the term peerages that we are debating will tend to recognise the perpetuation of the life peerages that I would like to see done away with.

My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) alluded to what would probably happen if elected term peerages replaced life peerages. I think that that would be a sensible and desirable way to go forward, but I agree that there are some deep concerns about the appointment of Ministers specifically from outside the political sphere.

7.30 pm

In many ways, what happened with Lord Carter, Lord Jones of Birmingham and others has rather discredited what was a very good initiative on the part of the Prime Minister of the time. I think that it is desirable to have certain ministerial talent coming into Parliament, but my right hon. and learned Friend the Member for Sleaford and North Hykeham was right to say that the difficulty with those two individuals and the others was that they were enamoured of Parliament and politics for only a matter of months. After that, they ended up with the life peerages that were bestowed on them, which cannot be taken away. That would be less undesirable if there were evidence that they wanted to play a part in matters political even in their post-ministerial lives, but there is little evidence of that.

The amendment proposed by my hon. Friend the Member for Chichester (Mr. Tyrie) is in many ways a sensible interim development. Some trimming of the notion that a peerage is for life would be very desirable but, in the absence of the radical reform that I would prefer, I suspect that over the years and decades ahead we will move towards all peerages being term peerages and not life peerages. To an extent, that would get around some of the concerns about Ministers expressed by my hon. Friend the Member for Forest of Dean (Mr. Harper).

The whole thing is a bit of mess, to put it mildly. This has been a worthwhile debate although, for the reasons set out just now and earlier this evening by my hon. Friend the Member for Chichester, it is likely to be academic, as it is unlikely that the amendment will end up on the statute book.

Mr. Hogg: Would my hon. Friend encourage our Front-Bench team to make it plain to Government Front Benchers in the wash-up session that we would support the concept of life peerages at the end of this Parliament, as part of a compromise Bill?

Mr. Field: Yes, I would join my right hon. and learned Friend in trying to make that plain.

I hope that the Minister has some food for thought for his response to this brief debate but, assuming that the amendment is pressed to a vote, I shall join my hon. Friend the Member for Chichester in supporting it.

Mr. Wills: I say this with genuine regret, but I am afraid that I am going to break the consensus and tell the Committee that, unfortunately, the Government cannot support the amendment.

My regret is genuine, as the hon. Member for Chichester (Mr. Tyrie) has done the Committee a real service. My thanks go as well to the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) and to my right hon. Friend the Member for Leicester, East (Keith Vaz), whose name also appears on some of the proposals.

The amendments are serious, imaginative and constructive, and they deal with an issue of real importance in our national life. I am particularly sorry that we cannot support them, as I think that there is real consensus across the Committee—and I include myself in that—about the three main objectives and premises that I have discerned to be driving the proposals.

First, everyone who has spoken is, like me, in favour of comprehensive reform of the House of Lords on a democratic basis. I think that we can take it for granted that we all want a wholly elected House of Lords.

Secondly, I see all the merits for term limits, for all the reasons that have been set out. I shall not rehearse them, but I would like to sign up to all the arguments put forward by hon. Members on both sides of the Committee in favour of term limits.

Finally, I think that everyone can agree that the House of Lords is too large and is growing even larger, for all the reasons that have been advanced so cogently. That is regrettable, and the trend needs to be reversed. On all those grounds, I think that the Committee is in agreement.

However, the problem with the amendments is that they are based on a fundamental premise with which the Government must disagree. That premise is that the comprehensive reform of the House of Lords is not going to happen in the near future. I understand why people may say that, as the process has been going on for 100 years or more. I also understand that there is a certain cynicism or weariness about the matter, so I completely understand the motivation behind the amendments, but we have to look at the arguments a little more closely.

The hon. Member for Chichester advanced two main reasons why he thinks that reform of the House of Lords remains a distant prospect. The first was that the next Parliament, whoever forms the Government, will be wholly preoccupied with dealing with the current crisis in the economy. As a result, he said, radical constitutional change will simply not be an option.

I fundamentally disagree with that proposition. We can all accept that there are real pressing challenges in the economy that need to be dealt with, but it is manifestly not true that the House will be able to concentrate only on that one thing. It was not true at the height of the second world war: the nation faced one of the biggest challenges to its existence that it has ever faced, but wholesale programmes of economic and social reform were driven through. The foundations of the national health service were put in place, as were radical reforms of the educational system, and so on. Of course this House, and Parliament as a whole, can do more than one thing at a time.

Mr. Mark Field: The Minister will accept that the Butler Education Act of 1944 and the Beveridge reforms were based on consensus in the House of Commons that spread throughout the political sphere. The issues were debated at some length, it is true, but broadly speaking there was consensus. The difference now is that reform of the House of Lords would be a matter of great contention, with the result that the Government would have at least one eye off the ball when it came to the economic crisis.

Mr. Wills: If the hon. Gentleman looks at his history books, I think that he will find that there was not a consensus about the NHS—very far from it. The Conservative party did not support it at the time, but I shall not take that historical analysis any further.

The second argument put forward by the hon. Member for Chichester for his amendments was that there would be a constitutional crisis—I think that that was the term that he used—if reform were to be driven through in short order. I understand the argument, and accept that Members in the other place are very sceptical about the idea and reluctant to envisage the sort of radical reform that every hon. Member who has spoken here tonight wants. The consensus in the House of Commons on the matter is broad, with almost everyone supporting reform, but I put it to the hon. Gentleman that we would not see the sort of crisis that he predicts if every major political party's manifesto contained a commitment to drive through radical reform of the House of Lords in the next Parliament.

If the manifesto commitments were expressed in those terms, I think that the other place would recognise that the will of the people had spoken. Sadly, we have not heard quite such a definite pledge from the Conservative party here this evening, but there is still hope.

I do not think that full reform of the House of the Lords is, by any measure, inevitably a distant prospect. The House of Lords could be reformed, as long as the proper political will existed. The Government are willing to commit to that prospect, but the premise for the reform proposed in the amendment is misplaced. The amendment can have the merits advanced for it today only if a change to a wholly elected Chamber is not going to happen imminently.

Such a change would be phased in over time, as we discussed at great length previously, but signing up to these amendments would send the signal that we had given up all hope of radical reform of the House of Lords. I am simply not prepared to do that.

I want to offer some comfort to the hon. Member for Chichester, the right hon. and learned Member for Sleaford and North Hykeham and all those who have spoken in the debate today. The Government will publish draft clauses for that wholesale reform very shortly, within a matter of weeks. I hope that we can focus the debate on the content of those clauses, which we are publishing in draft because we genuinely want contributions from hon. Members on both sides of the House on how best to achieve the wholesale reform that everyone has signed up to today.

Mrs. Laing: We have known for a very long time that this part of the Bill would be debated in the Chamber today, so why have the Government not already brought forward the draft Bill to which the Minister just referred? They could have put it before us this evening, so that we could have debated this matter knowing what they intend.

Mr. Wills: I think that the hon. Lady is being slightly disingenuous. The Government's broad intention has been clear for a very long time. We are talking about bringing forward specific clauses so that the details of our intentions can be scrutinised and discussed.

That is where I hope the energy of the House will be directed. The quality of today's debate shows that Members of the House have a considerable contribution to make in achieving that radical reform—not temporising or providing transitional measures. That is where I hope we can focus the debate.

[Mr. Wills]

I shall not dwell on them, but there are technical problems with the proposal and unanswered questions such as who would decide whether a person should be granted a term peerage or a life peerage, against what criteria the decision should be made and what would happen at the end of a fixed term, although we had a little discussion about reappointment. All those technical problems could be fixed if there were broad agreement that this is the right way forward because reform of the House of Lords is so distant. I do not agree with that.

Mr. Hogg: Does the Minister understand that what he is saying is slightly different in its general tone from the position adopted by the Secretary of State? The Minister is saying that if we agreed to the amendment, which is intrinsically good, we would send a signal that serious future reform was not intended, but during the previous debate the Secretary of State asked us to accept reforms that, adopting the Minister's argument, send exactly the same signal. Why were we asked to support clause 29 when we are being asked not to support the amendment?

Mr. Wills: I completely understand what the right hon. and learned Gentleman is saying, but he is an extremely distinguished lawyer and he knows that the devil is always in the detail. The whole point about clause 29 is that we have a system that is risible, to use the Secretary of State's term. We cannot expect the dignity of the House not to be impaired when we have a system that involves more candidates than electors. I do not want to revisit the previous debate, but that was clearly not envisaged. The two situations are categorically different, and we cannot simply apply the badge, "The best is the enemy of the good." That simply does not fly, although I am grateful to the right hon. and learned Gentleman for allowing me to make that clear.

I think we all share the same objectives, broadly; it is a question of how we get there. On that basis, I hope that the hon. Member for Chichester will consider withdrawing his amendment. I understand why he has made his proposals, but will he devote his considerable intellectual energies and creativity to getting the wholesale reform of the House of Lords that we all want to see when we introduce the draft measures on that very shortly?

Mr. Tyrie: I am grateful for the Minister's generous words at the end of his speech, but less grateful for the unfortunate fact that, uniquely among those who have spoken, he has decided to oppose the measure—indeed, to lead the Government's opposition to it.

I am fortified when I receive support from such a varied crew from around the House: the Chairman of the Select Committee on Public Administration, the hon. Member for Cannock Chase (Dr. Wright); the hon. Member for Slough (Fiona Mactaggart); my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg); and my Front Benchers and so on. Their support—not to mention that of the whole of the Liberal party, which I think is also aboard—suggests to me that there might be something in the proposal.

The Minister put two arguments against the measure. First, he said that we should rush ahead with radical reform even though the economy is in crisis, adding that that would be perfectly doable based on the historical precedent of radical reforms that took place during the second world war, although he did not mention the fact that we had a coalition Government in the Commons and Lords' support for them. He then alluded to controversies about the NHS as a further example, without realising that the NHS was created well after the war under the Attlee-led Labour Government. I feel that he needs to look at the history books, which he invited us to look at.

The Minister had another main objection. He seemed to say that now we have this solid proposal ready on the blocks, we should act on it and that nothing could be an obstacle to it—we could act within weeks. The Labour party has been in power for 13 years with huge majorities, so why on earth did it not find an earlier opportunity to push reform through? I find that quite astonishing.

Mr. Wills: First, I said that the foundations of the NHS were laid during the second world war. I think the hon. Gentleman will find that that is true. The fact that the NHS was delivered after the war is another matter. Secondly, and more importantly, he knows very well—he heard my right hon. Friend the Secretary of State explain it this afternoon—that we have tried for the past 12 years to build a consensus for reform. We have made considerable progress in doing so, and I hope he will recognise that at least.

Mr. Tyrie: We have made some progress. Eventually, perhaps, we will be able to move further in that direction and measures might be introduced when the country is more prepared to allow its focus to be taken away from the issues that matter most to the vast majority of households. I am sure they will be focused on economic issues for the foreseeable future.

In the meantime, I am surprised and disappointed that the Government have not realised that the measure would address the effect of the ratchet—the fact that the House of Lords is getting ever larger. It had been heard in Government circles that that problem was being increasingly discussed.

Given that there is such widespread, cross-party support for the measure, except among those on the Treasury Bench, I have decided to press it to a Division.

Question put, That the amendment be made.

The Committee divided: Ayes 170, Noes 249.

Division No. 60] **[7.45 pm**

AYES

Afriyie, Adam	Bruce, rh Malcolm
Ainsworth, Mr. Peter	Burns, Mr. Simon
Amess, Mr. David	Burrowes, Mr. David
Ancram, rh Mr. Michael	Burt, Lorely
Atkinson, Mr. Peter	Butterfill, Sir John
Bacon, Mr. Richard	Cable, Dr. Vincent
Barker, Gregory	Campbell, Mr. Gregory
Beith, rh Sir Alan	Cash, Mr. William
Bellingham, Mr. Henry	Clark, Greg
Benyon, Mr. Richard	Clarke, rh Mr. Kenneth
Blunt, Mr. Crispin	Cox, Mr. Geoffrey
Bone, Mr. Peter	Curry, rh Mr. David
Brake, Tom	Davey, Mr. Edward
Brazier, Mr. Julian	Davies, Mr. Dai
Brooke, Annette	Davies, David T.C. *(Monmouth)*
Browning, Angela	

Djanogly, Mr. Jonathan
Dorries, Nadine
Duncan, Alan
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Greening, Justine
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howell, John
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Mactaggart, Fiona
Main, Anne
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Alan
Simpson, David
Smith, Chloe
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Dr. Richard
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willott, Jenny
Wilson, Mr. Rob
Wishart, Pete
Wright, Dr. Tony
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Stephen Crabb and Jeremy Wright

NOES

Ainger, Nick
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bottomley, Peter
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Flello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Heppell, Mr. John
Hesford, Stephen
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Killoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lloyd, Tony
Love, Mr. Andrew

Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Wareing, Mr. Robert N.
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David

Tellers for the Noes:
Mark Tami and
Mr. Dave Watts

Question accordingly negatived.

8 pm

Question proposed, That the clause stand part of the Bill.

Mr. Wills: Clause 30 provides that a person who is an accepted hereditary peer or life peer will be removed from the House of Lords if he or she meets the conditions in part 1 of schedule 4, which deals with disqualification for a serious criminal offence or bankruptcy, or is expelled by a resolution of the House under clause 31, or resigns from the House under clause 32.

Mr. Harper: I notice, having looked at the reasons for removing someone from the House of Lords, that there is nothing about whether the Member of the House of Lords has either the physical or mental capacity. There is a provision affecting Members of this House whereby they can be removed under section 141 of the Mental Health Act 1983, but the recent Speaker's Conference report suggested that the provision be removed. Does the Minister have anything to say about how that may affect Members of the other place?

Mr. Wills: I am very grateful to the hon. Gentleman for raising that issue, which my hon. Friend the Member for Slough (Fiona Mactaggart) raised earlier. I should like to take this opportunity to make it clear that there is no justification, in my view, for a distinction between mental and physical illness in that respect—none. Therefore, the current situation is clearly untenable. Nevertheless, particular issues must be discussed in terms of the representation of constituents. If a Member is incapacitated for whatever reason, we have to look at how their constituents are best represented. Our view, like that of the Speaker's Conference, is that the issue is best discussed by a Select Committee, and we hope that that will happen without delay. I hope that that provides some reassurance to the hon. Gentleman and to my hon. Friend.

Fiona Mactaggart: The Minister is right that I raised that issue in an out-of-order way earlier in today's proceedings. However, he over-complicates the matter. I was, for example, unable to represent my constituents for many months when I was away, because I had cancer.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): Order. I am sorry to interrupt the hon. Lady, and perhaps I should have intervened on the Minister earlier, but this debate is specifically about the House of Lords, not about the House of Commons. The remarks of both the hon. Lady and the Minister must be restricted to that.

Fiona Mactaggart: Can I commend the fact that, in this clause, there is no possibility for removing people because of any kind of ill health; and can I suggest to the Minister that he applies the same measure to this House?

Mr. Wills: I have noted those comments, and I am sure that the Committee has noted this exchange. If I may, I shall just carry on and discuss the terms of clause 30.

The Member's removal in the circumstances described is affected by the loss of entitlement to receive the writ of summons, and by the provision that any writ of summons that has already been issued has no further affect. As the writ contains the command to appear to attend Parliament, the peer thereby loses the right to take up their seat. The Committee will be aware that the events of last year focused public attention on the conduct of some Members of the House of Lords, who were accused in the press of being prepared to accept money in exchange for influencing legislation. That serious accusation evoked widespread public disquiet. At that time the Government began to look at the legislation that we might introduce to strengthen the mechanisms, which were widely considered to be inadequate, for disciplining Members in the House of Lords. Their weakness was acknowledged by all parties.

More recently, the expenses controversy in this House has shaken the reputation of Parliament, and there is an even more pressing need now to restore the public's confidence in its democratic institutions and ensure that there are arrangements to deal adequately with accountability and to discipline Members of Parliament. To ensure the highest standards of behaviour in the House of Lords, robust sanctions must be in place and peers should no longer be immune from being removed on account of the fact that there is nothing short of an Act of Parliament that can take away their membership of that Chamber.

The provisions allowing for removal for reasons of discipline must be flexible to conform to the severity of the offence. For the worst cases of misconduct, removal should be automatic, but those that are less serious demand the exercise of discretion, so that a decision may be made on whether the Member should either be expelled from the House or face a lesser sanction. Clause 31 provides a power for the House to pass a resolution against Members to impose less serious sanctions on them.

On the details of the provisions on removal by automatic disqualification, the two conditions that engage that provision relate to the severest offences, whereby it might be considered beyond dispute that a peer's continued membership of the House is untenable. The first condition, in paragraph (2) of schedule 4, is conviction of an offence where the peer is sentenced to more than 12 months' imprisonment, reflecting the current position in the House of Commons. The condition ensures that the disqualification provision will apply if the Member is unlawfully at large and, therefore, evading justice. The condition is also met even when the offence or the conviction and offence occurs outside the United Kingdom, ensuring that a person may not avoid removal from the Lords by virtue of any event necessary to fulfil the condition having occurred outside the United Kingdom, when it would have led to their disqualification had it occurred in the United Kingdom.

It may be argued that offences that attract a sentence outside the UK could be dealt with under foreign jurisdictions more harshly than in the United Kingdom courts. Indeed, in some jurisdictions, offences that would not be punishable at all under UK law may attract a severe sentence, so there is provision in paragraph (9) of schedule 4 for the House of Lords to pass a resolution to reverse the automatic disqualification. Paragraph (7)(1) of schedule 4 makes provision for a peer to make a claim for the reversal of removal, and to reinstate a right of membership following disqualification on the grounds of conviction and sentence for a serious criminal offence, if a conviction is overturned or quashed, if it is determined that a peer should not have been subject to sentence, or if the sentence is changed in any way such that the conditions that engaged the removal provisions are no longer met. Clearly, it would be unjust not to include provisions to allow recognition and reflection of a court's determinations when they change the parameters in which the individual was judged to have met the conditions for disqualification.

The second condition for which the removal power is engaged as a result of automatic disqualification is if either a bankruptcy restriction order or undertaking, or a debt relief order or undertaking, come into force against a peer as set out in paragraph (2) of schedule 4. Bankruptcy per se is not a condition for disqualification; however, the provisions set out in the schedule recognise court decisions that have judged the peer culpable in relation to the bankruptcy, and they therefore provide that their membership should cease. By analogy to the provisions on disqualification for conviction and sentence for serious convictions, there is provision for the peer to make a claim for reversal of disqualification when any orders or undertakings in force against them are annulled. Claims for reversal of removal when the disqualification resulted from an engagement of the first and second conditions are considered by the Lord Chancellor under the procedure in paragraphs (3) to (5) of schedule 4.

I now turn to the power for removal of membership on grounds of an expulsion resolution. The power for the House of Lords to pass an expulsion resolution, when the peer does not meet the conditions for automatic disqualification, is provided in clause 31. It will be discussed in more detail when we debate that clause. However, the significant characteristic of the expulsion resolution is that, by definition, it is not automatic; it requires consideration of the facts of the case and a vote of the House. Therefore, the House may exercise it on a discretionary basis. That might happen if a Member has been convicted and sentenced for a relatively serious criminal offence but—

The Second Deputy Chairman: Order. For clarification, is the Minister now starting to deal with clause 31, about expulsion and suspension of Members of the House of Lords? We are discussing clause 30 stand part. He has already gone on to schedule 4, which is intimately linked with clause 30, so that obviously makes sense. Is he deliberately going on to clause 31, or is he going to deal with clause 30 and schedule 4 first of all?

Mr. Wills: Thank you very much, Sir Michael. I understand; I was trying to pre-empt any questions that might arise out of those provisions, but I was not seeking to stray, and I am sorry if I did so inadvertently.

Mr. Hogg: On a point of order, Sir Michael. I intimated to Mrs. Heal that I would like to speak on a clause 31 stand part debate, but if it is convenient to the Minister to group schedule 4, clause 30 and clause 31 together, I, for one, would not seek to stand in his way. We could just have the one debate, if that were acceptable to you, Sir Michael.

The Second Deputy Chairman: Is the House agreeable that we should deal with clause 30, which we are debating, along with schedule 4 and clause 31, and then vote on them or otherwise? Does the hon. Lady agree?

Mrs. Laing: We are happy with that, Sir Michael.

The Second Deputy Chairman: Then the Minister may carry on in that vein.

Mr. Wills: Thank you, Sir Michael. I am grateful to the right hon. and learned Gentleman for that suggestion, which would very much aid the dispatch of business. I will, if I may, carry straight on and speak to clause 31 and the schedule.

The significant characteristic of the expulsion resolution is that, by definition, it is not automatic: it requires the exercise of discretion by the House. This may take place, for example, if a Member has been convicted of

[Mr. Wills]

and sentenced for a relatively serious criminal offence but one that did not attract a sentence of 12 months or more and therefore did not meet the condition for automatic disqualification—for example, a case of fraud where the sentence handed out is less than 12 months but the nature of the misconduct may be construed as incompatible with the unique position of trust that is occupied by Members of the House. The mechanism to effect the loss of a membership is identical to that for automatic disqualification; in other words, it is the loss of the entitlement to the writ of summons and a provision that any writ of summons that had already been issued is ineffective.

Clause 30 provides the power of removal for Members who wish to relinquish their membership by exercising the right provided under clause 32. The mechanism for removal is the same as the discipline provisions, and this accounts for all the removal powers being grouped in this clause. There should be no assumption—I want to make this absolutely clear—that the removal provision for resignation exists primarily to allow Members who have committed misconduct to do the honourable thing, as it were. There are many perfectly honourable reasons for Members wishing to resign—

Mr. Heath: On a point of order, Sir Michael. Can I be clear about this? We may have agreed to deal with clauses 30 and 31 and schedule 4 in the same debate, but I do not think we agreed to deal with clause 32, and it seems as though the Minister might be straying into a discussion of clause 32.

The Second Deputy Chairman: I think that there are limits as to how much we can reorganise the agreed programme. The hon. Gentleman is correct. We are dealing, at most, with clause 31, and it would be a good idea if we did not, at this point, stray into clause 32, as that deals with resignation from the House of Lords, which is a separate matter.

Mr. Wills: Thank you, Sir Michael. I was trying to deal with the processes in clause 30 and explain why they are all included there together, rather than getting on to the substance of clause 32. These things are grouped together and they are complex, so I am trying to stick to the point but also trying to add clarity to the argument. The fact that these provisions are grouped together in the same place in clause 30 should not imply, when we get on to the substantive discussion of clause 32, that there is necessarily anything dishonourable about Members seeking to take advantage of its provisions.

The provisions in the clause are necessary to effect a Member's removal from the House, but the reasons for that Member's departure may be triggered by the conditions for disqualification under schedule 4 being met, by a decision to expel the Member under clause 31, or by their resignation under clause 32. On that basis, I hope that the clause can be considered to stand part of the Bill.

I wonder whether I should continue to speak to clause 31 and then to the schedule, or perhaps allow any contributions on this particular provision.

The Second Deputy Chairman: I think that given the path that we have chosen to follow, it would be a good idea if the Minister dealt with all the provisions together; then anybody who wants to contribute can speak to some or all of them, and we will talk about Divisions a little later on.

Mr. Wills: Okay, then, I shall do exactly that.

I now turn to clause 31. This provides a power for the House of Lords to make Standing Orders to allow it to pass a resolution to expel a peer or to suspend a peer for any length of time specified in the resolution. This resolution may be passed when the House considers that the conduct of the Member has damaged the reputation of the House. The intention is to replicate, as far as possible, the sanctions of suspension and expulsion that already exist in the House of Commons and that the House of Commons has at its disposal to deal with misconduct by MPs. As in this House, the intention is to uphold the fundamental principle of parliamentary privilege, which permits each House to regulate its own affairs. In 1999, the Joint Committee on Privileges said:

> "As far as members are concerned, there can be no doubt that each House should remain responsible for disciplining its own members. The Joint Committee has taken this as axiomatic. It is inconceivable that power to suspend or expel a member of either House should be exercisable by the courts or some other outside body."

In keeping with that principle, the criteria for exercise of the power is non-prescriptive. It requires that the House must find that the Member's conduct brings the House into disrepute. Subsection (1) provides the House of Lords with the power to make in Standing Orders such provisions as are necessary for it to exercise a power to suspend or expel Members by resolution. The precise framework within which the power will be exercised is therefore delegated to the House of Lords. This delegated power will allow the House to elaborate the principal basis for any sanctions as well as the details of the procedural mechanism by which any sanction will be applied.

8.15 pm

Mr. Hogg: There is something troubling me—it is a small point. I can see that if a Member of the other place behaves badly in one way or another, then that Member brings himself or herself into disrepute, but I am not absolutely clear that the bad behaviour of an individual Member can be said to bring the House into disrepute, which seems to be a slightly different concept. When the Minister further considers the drafting, perhaps he should focus on the nature of the conduct of the individual Member as it bears on that person's reputation rather than on the reputation of the House.

Mr. Wills: I am grateful to the right hon. and learned Gentleman for that intervention. He makes an important point, but I think that I have already dealt with it. In our view, some offences axiomatically bring the House into disrepute and therefore merit automatic disqualification—that is why those offences are so categorised—while other offences are subject to the opinion of the House. It is not for us to prescribe that, and that is why we have allowed this discretionary power. It is fundamental to the principles of parliamentary privilege that the other place should make its own decisions on such issues. He is right that there will be some instances of behaviour that bring the Member personally into disrepute but do not, in any common-sense way, affect the reputation of the House at all; there will

be other kinds that do both. However, that is a matter for the other place to judge, and that is why we are allowing for this discretionary power precisely to deal with the sort of issue that he has raised. I will reflect on it further, and I am sure that there will be further discussion of it in the other place, if nowhere else.

In the House of Commons, matters concerning conduct and discipline are dealt with in Standing Orders and in the Commons code of conduct. The provisions in the clause would allow the House of Lords to establish a similar regime, dealing with some aspects in the Standing Orders and others in the code of conduct along the lines of the existing code. Subsection (3) extends the existing power of suspension currently available to the House by removing the existing restriction that a period of suspension may not be longer than the remainder of the current Parliament. Instead, the duration of the suspension may be for any period specified in the resolution; again, that is in keeping with the principles of proportionality that we are trying to put forward.

The mechanism for the expulsion of a Member is set out in subsection (2). The House passes an expulsion resolution that states that the Member loses his or her right to receive a writ of summons. The resolution is given effect by the removal power at clause 30. A power is also provided at subsection (2) that any writ of summons already issued prior to an expulsion resolution shall have no further effect. It is important to stress that that does not mean that the power to expel and suspend is retrospective, but that it cannot be trumped by a writ that has already been issued.

Subsection (4) of clause 31 provides the mechanism for suspending the Member. The House issues a resolution that states that in the House's opinion the House is in disrepute because of the conduct of that person. I hope that reassures the right hon. and learned Gentleman. The resolution must also state that that conduct warrants suspension of his or her entitlement to a writ of summons, and that accordingly the Member's entitlement should be suspended. That will mean that the Member loses his or her right to sit and vote in the House of Lords, and accordingly is not a Member of the House of Lords for the period of the suspension.

Subsections (5) and (6) together provide that the powers of suspension and expulsion should be exercisable only in relation to conduct that occurs after the date of the making of the Standing Order, which must occur after the date when the clause comes into force. That will mean that the suspension and expulsion provisions are exercisable only prospectively and therefore do not apply to conduct that brings the House of Lords into disrepute if it occurs before the clause comes into force.

We are aware that there may be some expectation that the peers whose conduct last January led to the calls for tougher provisions should be subject to the powers in clause 31. However, it is important that we maintain the principle of retrospectivity. The conduct of those peers has already been dealt with by the other place following the conclusion of investigations into the allegations against them. Two of the peers were suspended for the remainder of the parliamentary Session. We believe that it is fair and just that Members whose conduct has been or could have been dealt with under rules previously available to the House of Lords should not be punished a second time.

Without clause 31, the House of Lords is unable to expel one of its Members, regardless of any crime or misconduct that they may have committed. I am sure that you will agree, Sir Michael, that that is an invidious and untenable situation, and that the clause is necessary. I therefore ask that it stand part of the Bill.

Mr. Heath: I have two quick questions for the Minister. One is about offences that are committed outside the UK and for which sentences are given and served outside the UK. I understand why the relevant provision is in the Bill and do not argue with it, and I note the capacity in schedule 4 for a resolution to be passed effectively to annul the results of a finding of guilt in a foreign jurisdiction. However, I hope that the Minister will consider whether there should be some notion of dual criminality so that, to be covered, the action must be an offence in the UK as well as in the other jurisdiction. It seems surprising that a person found guilty of some supposed offence in another jurisdiction that is not an offence in the UK could come back here to find that their membership of the House of Lords had been forfeited as a result, and that they had to wait for a resolution of the House to have their position vindicated or otherwise. That is a slightly long-winded way of dealing with something that ought to be clear-cut.

My other question—I hope that the Minister is listening, despite his conversation with you, Sir Michael. It is rather pointless my standing up and making comments on clause stand part if the Minister is not listening to what I am saying. I hope that he is.

Peter Bottomley (Worthing, West) (Con): I am not sure that it was totally clear what the hon. Gentleman was saying. Could he possibly say it again quite briefly for the Minister?

Mr. Heath: I hoped that I had made myself clear, but just in case the Minister did not get the full purport of what I was saying, it was about the question of dual criminality. I was asking whether a so-called offence committed outside the UK that is not an offence here should be dealt with by automatic forfeiture of membership of the House of Lords and then have to be overturned by a resolution, or whether the Bill should simply state that to qualify it must be an offence both in the UK and in the foreign jurisdiction. That is what we often state in legislation dealing with overseas jurisdictions.

The second question that I wish to put to the Minister is about clause 31(8), which I do not believe he mentioned specifically. It states:

> "An expulsion resolution or a suspension resolution may contain other provision in addition to that mentioned in the subsections above."

What is that "other provision" that the Minister envisages? If Standing Orders of the other place are to be made on the basis of the Bill, the Lords will want to know what that might entail. I would have thought that a simple suspension or expulsion resolution would be appropriate, and that it would not be appropriate to add other things that Members of another place might think appropriate punishments for whatever the perceived crime might be. From my experience of another place, they might be remarkably inventive in finding appropriate punishments to add to the charge list in a resolution. Will the Minister therefore explain what that subsection means?

Mr. Hogg: I shall speak to clause 31. I have two points to make about it, and I am looking at the Minister and hoping that he will be able to concentrate on the points that I make. I mean no discourtesy in saying that, because I know that he was taking advice earlier, as I often had to do when I was in his position.

The expulsion and suspension resolutions are set out in clause 31(2)(a) and (3)(a) respectively. There are two elements involved in them: first, that the peer in question must have acted in a disreputable manner, and secondly and differently, that the disreputable conduct of that person must have brought the House of Lords into disrepute. Both elements have to be satisfied before a resolution can be made.

One need only examine that proposition to see that it may be expressed somewhat unsatisfactorily. I can well contemplate circumstances in which a Member of the other House has behaved in a disreputable way, but that conduct is very much personal to him or herself and cannot sensibly be said to bring the House into disrepute. They are separate things. They may be linked, and disreputable conduct may bring the House into disrepute, but it does not necessarily do so. Under the current phraseology, unless both elements are satisfied, the suspension or expulsion resolution cannot be made. I wonder whether that is right, and I therefore suggest that the Minister look again at the phraseology that defines the criteria giving rise to the resolution. I suggest that he question whether the two things should be disjoined so that disreputable conduct that does not bring the House into disrepute would be grounds for a suspension or expulsion. There can be a legitimate debate about that, but that the issue arises seems clear, and it should be addressed.

Secondly and rather differently, I should like to say something about the circumstances in which the resolution can be made. The Minister will know that I tabled an amendment—amendment 45—which for good reason was not selected for debate. Under that proposal, one third of those qualified to vote would be required to vote in favour of a resolution before it could become effective; in other words, there would be a weighted vote. As I understand it, the amendment was not selected because that is a matter for the Standing Orders of the other place, and it would be improper for the Committee so to regulate, which I am happy to accept.

However, the point that troubles me is this: we must consider concepts of natural justice, and there is a possibility that a party with a majority in the other place, or in this place for that matter, could act in an arbitrary manner. After all, a suspension or expulsion resolution would bear very heavily on the reputation of the individual concerned—moreover, it might affect that person's livelihood in a fairly dramatic fashion—and it is therefore right that that power should have some constraints. It is worth reminding ourselves that, for example, criminal cases, generally speaking, require a unanimous verdict; even when they do not, they require the verdict of 10 jurors.

The resolution that we are contemplating would be made simply on a bare majority, but is that in itself right? I am far from certain that it is, which gives rise to the question whether the other place should, if it comes to consider the way in which it operates, consider questions of natural justice and set out in Standing Orders either the degree of notice that should be given to the House, so that the Government or whoever cannot act arbitrarily, or that there should be a weighted vote, so that a very substantial number of those entitled to vote do so. Otherwise, we are exposing people to the risk of arbitrary action that bears very heavily upon them.

8.30 pm

Mrs. Laing: The Conservatives are very much in favour of the Government's proposals in clauses 30 and 31, and schedule 4, because democracy depends on accountability, which in turn requires sanctions. It is astounding that it is only at this stage in the development of our democracy that such sanctions are being introduced. I cannot blame the current Government for that, because that development has been going on for centuries, but I am pleased that we have such measures before us now. They are right not just because of the examples that we have seen in recent months, but because, as a matter of principle, it is right that such sanctions are in place. My right hon. Friend the Member for Witney (Mr. Cameron), the Leader of the Opposition, has made it clear on many occasions in recent months that he thoroughly supports the Government's proposals. He has also made it clear that if they did not take action, any future Conservative Government would do so. I am therefore pleased that they are taking action today.

I share the concerns of my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) and the hon. Member for Somerton and Frome (Mr. Heath). For the sake of brevity, I shall not repeat what they said—the Minister is already preparing to answer the questions they put to him. I was concerned about convictions outwith the United Kingdom, but I am reasonably satisfied that schedule 4(9) takes those matters into consideration. The hon. Member for Somerton and Frome has ensured that the Minister is considering the matter and I am sure that the latter will give us a clear answer in a few minutes.

Sufficient safeguards should be in place so that all the circumstances surrounding whatever accusations a Member of the House of Lords faces are considered. Evidence should be taken and the matter should be fully examined by the House. Otherwise, we will not have an open, fair and just system. I remind the Minister—although I am sure he needs no reminding—and the Committee that in circumstances such as those we are discussing, justice must not only be done, but be seen to be done. I hope that the question of justice being seen to be done also encompasses the concerns expressed during this short debate, and I am sure that the Minister will be able to address them.

I entirely agree with the Minister on retrospectivity; it is vital that we do not introduce rules that are retrospective and therefore unfair. I am sure that the Minister is about to address the few concerns that have been expressed. I hope that he will convince the Committee that the provisions should be added to the Bill and we will in that case support them.

Mr. Wills: There is a broad measure of agreement on these provisions, but I shall briefly address the points that have been raised.

The hon. Member for Somerton and Frome (Mr. Heath) raised specific concerns about dual criminality. As he will be aware, the provisions essentially reflect those that are already in place for this Chamber. He made the

helpful suggestion that we should include only acts that are offences in the United Kingdom, but that would not catch a disproportionality in sentencing. It would include the category of offence, but in many jurisdictions offences are treated very differently. That is why it is important that the other place should have discretion in that area.

Mr. Heath: I appreciate that disproportionality of sentence would not be caught, and it is right that the House of Lords should address that by resolution, but it seems inappropriate that there should be any question of forfeiture for something that is not a crime in the United Kingdom. I was asking only that the Minister consider that point and whether an amendment could be tabled to deal with that circumstance.

Mr. Wills: Our view is that that is for the other place to decide. I am sure that Members there will read the report of our proceedings and will take that point into account. I found the hon. Gentleman's points eminently reasonable and I am sure that the other place will take the same view of them.

The hon. Gentleman asked specifically what the words "other provision" in clause 31(8) might mean. Simply put, that would enable the House to include further matters in the resolution, such as a description of the peer's offence.

The right hon. and learned Member for Grantham—

Mr. Hogg: That is Quentin Davis!

Mr. Wills: I beg the right hon. and learned Gentleman's pardon. He raised two important points, one of which I hope I have already dealt with. He made an important distinction between personally disreputable behaviour and behaviour that brings the House into disrepute. Again, it is a matter for the other place to judge on a case-by-case basis. I am sure that it will take note of what he has said, because there is an important distinction. I think that the clause catches that and allows the other place appropriate discretion, and I hope that that reassures him. We are happy to listen to further representations on the point and, if necessary, we will make adjustments.

The right hon. and learned Gentleman then raised a fundamental point about natural justice in the operation of the procedure. It is important to be reminded of that. I think that both Houses have behaved properly at all times and there has been no evidence—that I can think of—of such behaviour taking place. However, he is right to alert us to the risk of its taking place at some point in future. I hope that I can offer him some reassurance in the fact that the Joint Committee on Human Rights has considered this and felt that it was compatible with natural justice and the principles of common law. However, for reasons to which he alluded, it is not appropriate for this House to stipulate such things. In any event, his point is well made and I am sure that the other place will take account of it.

Finally, I wish to draw the Committee's attention to the fact that schedule 4 contains various supplementary provisions that set out the consequences of removing hereditary and life peers on the number of accepted hereditary peers remaining in the House; in relation to the right of life peers to vote and stand in elections to the Commons; and the eligibility of both hereditary and life peers for membership of the House of Lords. None of those provisions has any retrospective effect.

I hope that those remarks have reassured Members and that the Committee will feel able to agree the provisions.

Peter Bottomley: May I add a word, Sir Michael? It might be useful if the other place could consider adding the words "the disreputable" between "that" and "conduct" in clause 31(2)(b), which would allow paragraph (a) to be left out completely. In effect, the condition would be: "that the disreputable conduct warrants the loss of the person's entitlement". That would get rid of any unnecessary excuses from any Member of the other place who might be involved.

The last suggestion that I want to put in the Minister's mind, although it does not particularly follow from today's debate, is that it would seem to be a double penalty on a Member of the other place were a judge to say that an ordinary person, having been convicted of an offence, should be sentenced to nine months in jail, but that a Member of the other place be sentenced to 15 months. One needs to be aware of that possibility.

Question put and agreed to.

Clause 30 ordered to stand part of the Bill.

Schedule 4 agreed to.

Clause 31 ordered to stand part of the Bill.

The Second Deputy Chairman: On reflection, it has been thought that amendment 94 should join the next group of amendments.

Clause 32

RESIGNATION FROM THE HOUSE OF LORDS

Mr. Hogg: I beg to move amendment 60, page 16, line 39, leave out 'resign' and insert

'seek permanent leave of absence'.

The Second Deputy Chairman: With this it will be convenient to discuss the following: amendment 61, page 16, line 40, leave out 'resigns' and insert 'obtains such leave'.

Amendment 62, page 16, line 40, leave out 'of the peer's resignation'.

Amendment 63, page 16, line 42, leave out 'resigning peer' and insert 'peer seeking permanent leave'.

Amendment 64, page 17, line 3, leave out 'resigning'.

Amendment 65, page 17, line 3, at end insert

'confirming the grant of permanent leave of absence.'.

Amendment 66, page 17, line 4, leave out 'resignation' and insert 'permanent leave'.

Amendment 94, page 17, line 4, at end insert—

'(6) A person who has resigned from the House of Lords under this section may not be nominated for election to the House of Commons for a period of five years after the certificate takes effect.'.

Mr. Hogg: Amendments 60 to 66 originally stood in the name of my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), who unhappily is in Northern Ireland today, for which he wishes to express his apologies to the Committee. However, I was pleased to add my name to the amendments, because I had in fact put down one similar to Liberal Democrat amendment 94. I therefore had no difficulty in supporting my hon. Friend.

[Mr. Hogg]

Amendments 60 to 66 would prevent a Member from resigning from the other place so as to be eligible to stand for election to the House of Commons. By taking leave of absence, a peer would remain a peer, albeit one not able to attend the other place for the period of the leave of absence. My hon. Friend and I had the following broad motivations: first, I observe generally that one should encourage peers who feel that they are getting old to take a leave of absence, because there are far too many peers of a certain age in the other place, which is now very heavily populated. As has been said, there are too many peers of the realm, and a leave of absence would diminish their number.

Secondly, I want to address the question whether it is right for a peer to cease to be an effective peer for the purposes of standing as a Member in this House. On that, I share the view of the Liberal Democrats; I do not think that it is right. Or at least it might be desirable to have a gap of five years in the circumstances set out in amendment 94, which I shall support if it is put to a Division.

Mr. Heath: The right hon. and learned Gentleman may like to know that in the cross-party discussions on the future of the House of Lords, all parties agreed that it is undesirable for people to move from a reconstituted House of Lords to the House of Commons without an intermediate break.

Mr. Hogg: Indeed, that is why I originally tabled my own amendment, why I am happy to support the Liberal Democrat amendment and why I feel comfortable with amendments 60 to 66.

One could advance several arguments in support of what the hon. Member for Somerton and Frome (Mr. Heath) has just said. First, one would not be doing an injustice to any peer, because under the current composition of the other place, everyone sitting there is a volunteer: they are either hereditary peers who have chosen to stay on as one of the 90, or they have accepted a life peerage. So they are all volunteers. That is different from the situation before—I think—the Peerage Act 1963, when Anthony Wedgwood Benn, and, for that matter, my father, were obliged to go to the House of Lords. Therefore a nobility was created to be disclaimed, thus enabling them to come back here, but they were not volunteers; they were protesters who did not want to be in the House of Lords, so there is a difference in kind. Every Member of the House of Lords now is a volunteer.

8.45 pm

The second point is this. If we allow swapping of the kind that we are talking about, it will diminish the dignity and standing of the other place. As I want the dignity and standing of the other place to be enhanced whenever I have the opportunity to enhance it, I am happy to move amendment 60. Allowing such swapping would also, I suspect, diminish independence. One of the most important things is that Members of the other place have jolly little to gain prospectively, unless they hope to be Ministers.

Incidentally, I agree with the points made in a previous debate by the hon. Member for Somerton and Frome. There is a powerful argument for saying that Members of the other place should not be Ministers, but that is a broader argument, which I suspect you do not want me to pursue now, Sir Michael. However, the point is that one does not wish to create in the other place any circumstances that could diminish the independence of mind of those who sit there. If their lordships think that by resigning they can come back to this place and perhaps occupy a prominent part in the affairs of this House, they may achieve great things, but that would diminish their independence, and I am very much against that.

I heard the Minister say earlier that there is nothing in clause 32 that is designed to benefit a particular person. I think that I know who that person is—Lord Mandelson, for whom in many ways, particularly because of his political skills, I have a great deal of admiration. However, he is a good case in point, because he has chosen to go to the House of Lords. It is not clear to me that we are doing him an injustice by preventing him from coming back here—and goodness knows, we do not want to create any further incentive, lest he should lose his remaining sense of independence. Although it is just possible that the clause was not crafted with Lord Mandelson in mind, if it is possible that it was, he is a good example of why we should not pass it.

My final point is that I think that either the hon. Member for Somerton and Frome or the hon. Member for Cambridge (David Howarth) is minded to press amendment 94 to a Division, which would be dependent on my not pressing amendment 60 to a Division. If I had the leave of the Committee to do so, I would be happy not to press the amendment standing in my name; and if you were minded to call amendment 94, Sir Michael, standing in the name of the hon. Member for Somerton and Frome, I would personally be happy to support it.

David Howarth: To deal with the final point made by the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), I should like to seek the opportunity to press amendment 94 to the vote, if the occasion so arises. I also gratefully adopt his arguments for that amendment.

I would be surprised if the Government were to resist a five-year moratorium between resigning from the Lords and coming—or perhaps coming back—to this place. In the 2007 White Paper "The House of Lords: Reform", the Government said that the Wakeham commission and the Public Administration Committee had both recommended a 10-year waiting period, while the "Breaking the Deadlock" paper, which Members might remember, went for a five-year moratorium. The Government commented on those proposals and said that they were minded to agree with the five-year period. In the 2009 White Paper "An Elected Second Chamber", the Government also suggested a cooling-off period of five years, and seemed to accept the arguments in favour of that proposal that the right hon. and learned Gentleman has just laid out.

In particular, the Government said that the House of Lords should not be used as a political base for a House of Commons career. The reasons for that are twofold. The first, as the right hon. and learned Member for Sleaford and North Hykeham has said, is a matter of the dignity of the other place and of how it is regarded. The second is that relations between the two Houses

would be enhanced if Members of the House of Lords were to go there in the knowledge that it was to be their political job for the foreseeable future to sit in the revising Chamber, to stick to their job, and not to harbour hopes of coming back to this House for a different role.

I, too, cannot speculate as to why the Government appear to have changed their mind about this matter. Perhaps it does involve the noble Lord Mandelson, or perhaps the House of Lords is teeming with potential Prime Ministers or potential Chancellors of the Exchequer—the convention being that those two offices may be held only in this House.

This leads us to another version of the first reason for a moratorium. That is that we do not want the House of Lords, whether appointed or elected, to be full of young men in a hurry—

Mr. Hogg: Your sort of age, David.

David Howarth: Well, "young" is a relative term. The average age in the House of Lords is 68.

We do not want the House of Lords to be full of people who have an eye to a future political career at very high level. It is a virtue of the present House of Lords, which I wish to preserve in any future reforms, that it consists of people of moderate, rather than overwhelming, political ambition—

Mr. Hogg: Stuffed full of Liberal Democrats.

David Howarth: That, of course, is another reason why the House of Lords is a splendid place, and its virtues should be preserved in any reform.

For all those reasons, I urge the Government to re-adopt this policy. I shall be fascinated to hear whether they have indeed done a U-turn on this matter, and to discover the reasons for that. With that, I shall conclude my remarks, but I repeat my request that, if possible, we vote on amendment 94.

Peter Bottomley: I suppose that I ought to declare that my wife sits in the House of Lords, although my remarks are not directed at her.

There might be a convention that the Prime Minister does not sit in the House of Lords, but—in answer to an obscure pub quiz question—it is less than 60 years since a Prime Minister did sit in the upper House.

I wonder whether we ought to have the same provision as that proposed in amendment 94 for ourselves. Perhaps we should say that no one may be appointed to the House of Lords for five years after ceasing to be a Member of Parliament. That would result in a convention, of which I would approve, that, were a Speaker to resign the speakership during a Parliament, they could continue to serve their constituents until the next election and become eligible to go to the House of Lords thereafter. However, that is slightly beside the point that we are considering at the moment.

I do not believe that permanent leave is desirable. I can think of one Member of the House of Lords who decided that he should not go on serving there and who took leave. Most of those in the House of Lords would like to have him back, however, and such people ought to be able to change their minds.

On a separate issue, what would happen to Members of the House of Lords who ceased to be Members of the House of Lords, because their position had come to an end? That used to happen in the case of Law Lords and, certainly, of most bishops, unless they were appointed to the House of Lords as a life peer. Would a retired Law Lord be eligible to be elected to the House of Commons? Would a retired bishop who had had the seniority to get into the House of Lords be eligible to be elected to this House? That might be set down in statute, but I do not know the answer. We should perhaps consider these questions as though they applied to Members of the House of Commons going to the House of Lords as well as vice versa. There is a proper convention that we refer to the House of Lords as "the upper House" as well as "the other place". It is the upper House, but we ought not to think of this as one-way traffic. I believe that a five-year gap would be better than a 10-year gap, and if the Liberal amendment were pressed to a vote, I would support it.

Mr. Grieve: It has been a central feature of membership of the House of Lords in recent years that it carries with it a greater sign of independence from the constraints or pressures of Government or party. Generally, such a person may have had a distinguished career in this place first, but once they have gone to the other place, the implications are clear that their aspirations to the highest ministerial office disappear. I think that there has been a general view around the Chamber that that is a good thing.

I do not wish to take up too much of the Committee's time on the generality of the clause, because we will have a separate stand part debate, but may I say simply that the principle that a person may resign from the House of Lords and subsequently, according to choice, disclaim their peerage—it is a matter for them—is a novelty, irrespective of whether safeguards are introduced to prevent somebody using the House of Lords as an antechamber to entering this place. That has given me some anxiety, which is substantially curable if the amendment tabled by my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), or the Liberal Democrat amendment, is accepted. On that basis, if the Liberal Democrats press amendment 94 to a vote, we will support them. It is essential to have a mechanism to ensure that a person cannot use an appointment to the House of Lords as an antechamber to a political career in this place.

The issue goes further than that. I would be grateful if the Minister corrected me if I have got it wrong, but it seems to me that nothing in the system of resignation under clause 32 would prevent such events happening on a multiplicity of occasions. The Prime Minister could promote a person to the House of Lords as a Minister—the current Prime Minister has appointed 11 since he came to office; they are the ones known mainly as GOATs—and if the Bill were passed on the last day of this Parliament, one could envisage them deciding to resign their peerage, standing for election to the House, and if elected, having a career. The Prime Minister could then say on a whim, "Actually you would be much more useful to me in the House of Lords at the moment. I am going to make you a peer." As the Minister knows, under the current untrammelled patronage enjoyed by the Prime Minister, that would happen automatically. They could go back to the House of Lords, and perhaps take on a

[Mr. Grieve]

new peerage title. In the case of the noble Lord Mandelson of Foy in the county of Herefordshire and Hartlepool in the county of Durham, he might have to find a couple of other places where he has placed his seat at various times—

David Howarth: Brussels.

Mr. Grieve: That is a possibility. Queen Anne's Gate also springs to mind. I am afraid that I cannot remember the place where he bought the flat under mortgage, but I think it was somewhere in Notting Hill, so that could creep into his title too. After another period in the House of Lords, he could decide to resign under the provisions, because multiple resignations are not prohibited. Not prohibiting multiple resignations is a lacuna in the Bill, to which the other place might have to return.

Having listened to the debate, which has latched on to the key issues, I am minded to urge my colleagues to support amendment 94. If amendment 94 fails to get the necessary support, my judgment is that we should oppose clause stand part. If the choice is between prohibiting resignation altogether, and a situation in which permitting resignation would allow the practices that I have outlined, I much prefer to stick to the current rules, which make resignation impossible. It is, after all, currently regarded as a life sentence and, apart from misbehaviour, I cannot think of a particularly good reason why that should not continue. However, I recognise that there has been an argument put forward in favour of resignation as it would enable those who feel that their useful time in the House of Lords has come to an end to go, thereby freeing up a place that might be taken more sensibly by somebody younger. That is the only argument that seems to me to have any validity.

9 pm

Mr. Hogg: That of course can be dealt with by taking leave of absence.

Mr. Grieve: Indeed it can, which is why my right hon. and learned Friend's amendment would be adequate. For exactly the same reasons as he has given, the Liberal Democrat amendment puts the Government on the spot, partly because it strikes me as being so reasonable. One could argue for 10 years without any great difficulty. We have to make absolutely sure that the sort of prime ministerial patronage that can allow somebody to maintain their career by bouncing down the Corridor from one end to the other is undesirable and should be stopped. If at the end of the day the price to be paid for achieving that is to get rid of clause 32 entirely, at present we would do that. If amendment No. 94 is not carried, we will certainly seek to delete the clause in its entirety.

Mr. Wills: We have had an interesting debate and it will not surprise hon. Members to hear me say that we will ask the Committee not to support the amendments. We ask for the amendment to be withdrawn, although I do not suppose that it will be.

I want to deal with the various points that have been made and then deal with a point of principle as to why we are objecting. The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said that, unless the amendments were accepted, the status of the second Chamber would be diminished. His colleague, the hon. Member for Worthing, West (Peter Bottomley), made the opposite point; he did not see why the movement of a Member from this place to the other place diminished the position of this place. He is absolutely right. A Member of the other place wanting to come here does not diminish the status of the second Chamber—it has a discrete and different function—any more than a Member of this place moving to the other place, as many have done over the years, diminishes the status of this place. Those individuals are at a different stage of their life and are seeking fulfilment in public service in a different way. That is the function of the two different Chambers.

Peter Bottomley: The Minister is taking my argument in a direction that I had not intended; he is right to do so. People cannot stay here for more than five years as their term expires. Parliaments expire; I stop being an MP when they expire. People who go to the other place can stay there for life. That is a difference.

Mr. Wills: It is a differenee and I am grateful for the elucidation, but I do not accept that it diminishes the status of the second Chamber.

More generally, almost every Member who has spoken in favour of the amendments has made broadly the same point, which has then been amplified into a great frolicking fantasy by the hon. and learned Member for Beaconsfield (Mr. Grieve) about Members switching endlessly between the two Houses. This is a serious point; we certainly do not want to see the sort of situation to which he referred, in which one House is used as an antechamber for the other. These two Houses have discrete and important functions and should be treated with equal dignity and respect. He is right to draw attention to any such risk but I simply do not believe that that will happen.

Most Members come to the appointed and partially hereditary Chamber at the end of a long and distinguished career in public service. I believe that the hon. Member for Cambridge (David Howarth) suggested in an intervention that the average age for someone's doing so is the late 60s. That is the position so, with all due respect, I must say that it is fanciful to think that there will be many, if any, Members of the other place who will use these provisions to resign and stand for election in this place. The hon. and learned Member for Beaconsfield will correct me if I am wrong, but I believe he said that the debate has latched on absolutely to the main issues. To a large extent that is true, but he has missed out the most fundamental issue and the most fundamental guarantee. *[Interruption.]* I am glad to see that the hon. Member for Blaby (Mr. Robathan), who has suddenly turned up to hear—

Mr. Andrew Robathan (Blaby) (Con): Your peroration.

Mr. Wills: Most grateful I am too. The fundamental guarantee is the British electorate. *[Interruption.]* I do not know why the hon. and learned Gentleman is laughing at his voters. That is not necessarily wise in view of an imminent general election, so I suggest that he just listens to this point. If somebody resigns from the other place to take advantage of these provisions and stand for election to this place, they will be judged by the electors. I have no doubt that if, as he fears,

people were shamelessly to use the other place as an antechamber—those were his words—for this place, they would be judged harshly by the voters in the constituency for which they are standing.

Mr. Grieve: That guarantee does not seem to amount to very much. Does the Minister not see that the Bill contains no provision to prevent multiple resignations? If he wished to stop that practice, one mechanism that he could use—even without resort to amendment 94—would be to say that someone can resign from the House of Lords only once. Even that is not in this Bill, so someone can resign from the Lords as many times as they have been appointed to it. The Prime Minister's powers of patronage are infinite, so why not do something about it to provide reassurance?

Mr. Wills: I was coming to just that point. I have heard no good reason why Members of the other place should be treated differently from every other politician in public life, and indeed everyone else in public life. They are all entitled to resign without being subject to the cooling-off periods being proposed in these amendments. I am sorry that the hon. and learned Gentleman is so derisive of the voice of the electorate in this matter. I have no doubt that if the sort of scenario—he might wish to listen to this—that he has been conjuring up were to arise, the voters of the constituency for which that individual was standing would judge that individual harshly. The vote is the single most important guarantor of our liberties and our constitutional freedoms yet devised, and I am sorry that he takes it so lightly.

Mr. Heath: I would like the Minister to explain one simple fact. The argument that he is putting forward is the diametric opposite of what the Lord Chancellor put forward as an argument in the all-party talks on the future of the House of Lords. In those talks, we had a consensus on the merit of having a period when a person who had resigned from the House of Lords was not able to stand for election to this House. Why is the Minister putting forward the opposite argument to that advanced by his Secretary of State?

Mr. Wills: I can assure the hon. Gentleman that, although I will not be standing for election again and in a few months' time I will never again be seen at this Dispatch Box, my comments reflect the current views of the Secretary of State.

Mr. Grieve: In France, it is rather normal to go from the National Assembly to the Senate and back again; it is done as a matter of routine. Once one starts corrupting the electorate's expectations so that they accept something as the norm, one gets away with it. As we do not think that such actions should happen, why do we not legislate to make sure that they do not?

Mr. Wills: I have been a Front Bencher for some considerable time, and I have heard the hon. and learned Gentleman level all manner of accusations at the Government, but he has never yet accused us of trying to replicate the French model of government. There is a first time for everything. May I just assure him that we are not seeking to replicate such a system?

I have not heard from any of the hon. Gentlemen who have intervened on me any reason why they have such a profound mistrust of the British voter. The scenarios that they all conjure up of people using the other place as an antechamber from which to springboard into here ignore the fact that British voters have, historically, taken a very harsh view of such exploitation of our democratic system. They have punished people who have sought to exploit the system in that way; there are many examples of that in recent political history. I have no reason to doubt that they will do so again. That ought to be a guarantee for all the hon. Members who are so worried about that scenario.

Mr. Hogg: Does the Minister understand that we cannot accept that guarantee? Let us consider a person in the other place who decides to stand down and come to this place. His party parachutes him into a very safe seat. I can tell the Minister now that that person will be elected to that very safe seat.

Mr. Wills: I would usually bow to the right hon. and learned Gentleman's much greater political experience, but he need only look at the history books: often, particularly in the sorts of circumstances to which he refers, seats that party machines thought were safe have proved to be anything but safe because, in the end, there is only so much that the British public will stomach.

Mrs. Laing *indicated dissent.*

Mr. Wills: Well, I have much greater faith in the British voter than any of the Conservative Members present.

Mr. Colin Breed (South-East Cornwall) (LD): Can the Minister not see that, when it comes to many other aspects of this place, and in other fields, a period of time is provided for, in respect of the so-called revolving door? We do not want the Door to the Chamber to become a revolving door.

Mr. Wills: I agree; no one wants that, nor is there any realistic risk of that happening. For those reasons, I do not think that the amendments are necessary. They would put Members of the other place in an unenviable position, placing restrictions on them that are not placed on any other politician in democratic life in this country. No good reason for doing so has yet been advanced, particularly in view of the fact that Members of the other place would still have to seek election to this place. As I say, that is the biggest guarantor of all that the scenarios described would not arise. I ask hon. Members to think again about the amendments, which I do not think are necessary. However, I fear that I will not prove to be persuasive.

Mr. Hogg: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 94, page 17, line 4, at end insert—

'(6) A person who has resigned from the House of Lords under this section may not be nominated for election to the House of Commons for a period of five years after the certificate takes effect.'.—*(David Howarth.)*

Question put, That the amendment be made.

The Committee divided: Ayes 179, Noes 270.

Division No. 61] **[9.13 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Blunt, Mr. Crispin
Bone, Mr. Peter
Bottomley, Peter
Brazier, Mr. Julian
Breed, Mr. Colin
Brooke, Annette
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Cash, Mr. William
Clark, Greg
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howell, John
Hughes, Simon
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Opik, Lembit
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Alan
Simpson, David
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Matthew
Taylor, Dr. Richard
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Dan Rogerson and John Hemming

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fiello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Michael *(Worcester)*

Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony

Tellers for the Noes:
Lyn Brown and
Mr. John Heppell

Question accordingly negatived.

Question proposed. That the clause stand part of the Bill.

Mr. Grieve: For the reasons that I gave earlier, we shall oppose the clause standing part of the Bill. In its unamended condition, it will allow all the mischief that we have complained about to take place.

Mr. Wills: I am extremely sorry to hear the hon. and learned Gentleman say that, because the clause will provide a much-needed reform. I have already tried to explain to him why all manner of mischief that he is so worried about will not take place. I am sorry that he has so little trust in the British electorate. I am also sorry that the Liberals have absolutely no interest in the debate, but there we are.

It is worth taking a few minutes to spell out why the clause is necessary. [HON. MEMBERS: "Oh no!"] Oh yes, oh yes!

The Second Deputy Chairman: Order. Of course the Minister must say whatever he wants to say, but we have already dipped into the clause – *[Interruption.]* Order. I trust that the Minister's remarks will reflect the fact that we have already touched on clause 32 stand part.

Mr. Wills: We have indeed, which is why I said that my remarks will be brief. I say this in the hope that Conservative Members might rethink their opposition to the clause. It is ill considered and meretricious, but there it is.

There is no mechanism by which a peer can resign from the House of Lords. The clause will set such a mechanism in place. Resignation is available in all other walks of life. We can no longer deny it to the House of Lords. There are many reasons why Members might want to resign from the House of Lords and this provision provides them with an opportunity to do so. We think that is right and fair. I hope that Members on the Opposition Benches will rethink their opposition to the clause and support it.

Question put, That the clause stand part of the Bill.

The Committee proceeded to a Division.

The Second Deputy Chairman: I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The Committee having divided: Ayes 270, Noes 177.

Division No. 62] **[9.29 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fitzpatrick, Mr. Jim
Flello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil

Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony

Tellers for the Ayes:
Lyn Brown and
Mr. George Mudie

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Blunt, Mr. Crispin
Bone, Mr. Peter
Bottomley, Peter
Brazier, Mr. Julian
Breed, Mr. Colin
Brooke, Annette
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Clark, Greg
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howell, John
Hughes, Simon
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Marshall-Andrews, Mr. Robert
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Simmonds, Mark
Simpson, Alan
Simpson, David
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Matthew
Taylor, Dr. Richard
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Stephen Crabb and
Jeremy Wright

Question accordingly agreed to.

Clause 32 ordered to stand part of the Bill.

Clause 33

DISCLAIMER OF PEERAGE

Question proposed, That the clause stand part of the Bill.

9.45 pm

Mr. Wills: The clause allows former Members of the House of Lords who have been removed under the provisions of clause 30, in other words by disqualification, expulsion or resignation, to disclaim their peerage. Currently, because life peers remain Members of the House for their lifetime and cannot voluntarily relinquish their seat or be removed except by an Act of Parliament, there is no provision for them to disclaim their peerage. As the Bill creates the right for both hereditary and life peers to leave the House voluntarily by resignation, it is fair that that right should be accompanied by the option to disclaim a peerage.

As the Bill creates new powers of removal by non-voluntary means through automatic disqualification and expulsion, it is logical to extend the right of disclaimer to peers in those groups, too. The mechanism for disclaimer is set out in subsections (3) to (5). A former Member is required to give notice to the Lord Chancellor, and then the disclaimer will take effect upon his or her signing a certificate of receipt of that notice. As the Keeper of the Great Seal by which letters patent are issued to individuals elevated to the peerage, it is appropriate that the function in question be conferred on the office of Lord Chancellor.

The effect of disclaimer is set out at subsections (7) and (8). Life and hereditary peers are to be divested of all interests in the peerage and the titles, offices and privileges connected to it, as well as being relieved of all

[Mr. Wills]

obligations and disabilities arising from it, one of which is of course the bar on voting or standing in elections to the House of Commons. I am sure that you will agree, Sir Michael, that it is only right that Members of the House of Lords are able to disclaim their peerage if they no longer intend or are able to sit as a Member.

Mrs. Laing: The Minister has explained very well why it is necessary to have clause 33, and I do not disagree with him. My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg)—he has been in his place all day, and now he is not—made a distinction earlier between what he described as "volunteer peers" and those who have the peerage thrust upon them. He is well qualified to address the matter.

My right hon. and learned Friend was absolutely correct in saying that there has to be a mechanism whereby someone can choose not to be a peer. In any other walk of life we believe in choice and the freedom of the individual, so it would simply be wrong to force a particular role in life on someone, even if it might appear to be a great honour, if they did not wish to take on that honour and the responsibilities and duties that come with it. We entirely see that the clause is necessary, so we support the Government on it.

Dr. Tony Wright: If ever there were a demonstration of the need to go further than the clauses in the Bill, it is clause 33. It is sensible for someone departing from the House of Lords to renounce their title, but we all know that that is not the issue. The issue, which has dogged all discussion on this matter from the beginning of time, is the confusion of service in the second Chamber of the legislature with a title. Until we address that squarely, we are going to keep coming back to it over and over again.

The House of Lords Appointments Commission laments the fact that many of those it appoints to the House of Lords as distinguished people do not attend properly. They do not attend properly because it turns out that what they really wanted was the peerage, not to sit looking at Bills.

We know that most people want the title, so I could understand a provision that said, "Let's separate these things out. Let's remove the peerage from people who sit in the second Chamber." That would be a sensible way to proceed. Simply proceeding by saying, "Let's give people who are departing the ability to renounce their peerage too" offers a kind of choice, but not the kind that will make any difference.

Mrs. Laing: As a matter of debate, does the hon. Gentleman agree that in fact, there is an anomaly? I appreciate what he says about titles, but very many people who hold hereditary titles as peers of the realm do not take their seats in the House of Lords. Is he arguing that a person should be able to use their title only if they are an active Member of the House of Lords?

Dr. Wright: The hon. Lady got herself into some trouble on voting to continue the hereditary peerage, but this is a simple point. We have an honours system, and we have a second Chamber, but the two are confused. I am not going to argue about the honours system—it is perfectly possible to argue that it is an admirable system, although I do not think it is—but it is clear that by confusing it with service in the second Chamber, we have got ourselves into an awful lot of difficulty. At some point, we are going to have to resolve that. Clause 33, although useful in its own very limited way, does not do so.

Question put and agreed to.

Clause 33 ordered to stand part of the Bill.

Clause 34

SUPPLEMENTARY PROVISION

David Howarth: I beg to move amendment 26, page 17, line 36, leave out subsection (2).

The amendment is about bishops and archbishops. The effect of clause 34 is to exempt the archbishops and bishops who sit in the other place from the disciplinary provisions that we have just agreed. I am not a Dawkinsite and I am not against bishops on principle—some of my best friends are archbishops—but I cannot see why they are exempted from the provisions.

There is an argument that archbishops and bishops are subject to Church discipline, but other members of the House of Lords are subject to discipline in their professions and parties. There is an argument that the Church should not be subject to state power, but it is an established Church and therefore subject to state power in a lot of different ways. There is an argument that it is not right to cast aspersions on bishops and to say that they are the kind of people who might break rules and act in a way that lands them in jail for a year and gets them expelled from the Lords, but the same applies to hundreds of peers who, to be blunt, have acted honourably in the past decade—they do not deserve to have aspersions cast on them, unlike those who have not acted well.

Mr. Leigh: Will the hon. Gentleman give way?

David Howarth: No, if the hon. Gentleman will forgive me, because I want the Minister to have time to reply.

If bishops do not want to be part of politics, that would be fine. My party has supported disestablishment for a long time, and we think that it would be better for the Church to distance itself from the ordinary institutions of government. However, if the bishops want to be in politics, they must accept that they are in on the same terms as everyone else.

Mr. Wills: The hon. Gentleman asks why the bishops should be treated differently. The reason is simple: they are in a completely different position to every other member of the other place. Unlike every other member of the House of Lords, Church of England archbishops and bishops may already be permanently removed from the Chamber under a statutory framework for dealing with misconduct. They are in a different position from the members of all the other professions that the hon. Gentleman mentioned. They are also the only Members who may resign from the House.

The Clergy Discipline Measure 2003 provides that a bishop who commits misconduct may have his conduct investigated and referred for a hearing and determination at the court of the Vicar General. The court may direct the removal of the bishop from the House of Lords. If a bishop has been convicted of a criminal offence and

receives a sentence of imprisonment, he may be removed from his office at the discretion of the archbishop, without that procedure being engaged. A bishop may also resign by giving up his diocese, which would again lead to the automatic loss of his seat in the House of Lords. So we do not need to provide for bishops in the way proposed, and nor would it be appropriate to do so.

The bishops are members of the House of Lords by virtue of their position within the Church of England, because of the unique place the Church has in our constitution. I know that the hon. Gentleman and his party do not want it to have that place, but it does have it. As members of the Church of England, bishops are, first and foremost, subject to the disciplinary sanctions provided by the Church. It is possible for the Church to remove such members under its misconduct provisions quickly and easily.

The provisions on removal of members of the House of Lords in part 3 of this Bill are primarily concerned with supporting the House in the disciplining of its members, by providing sanctions for misconduct. The provisions also address the needs of those peers who wish to resign from the House. These are valuable and welcome provisions—I am sure that the public will agree—but we have no need to extend them to cover the conduct of the bishops. I hope that that reassures the hon. Gentleman and that he will seek to withdraw this amendment.

David Howarth: That was a fascinating defence, but I am not sure that I was convinced by it. The essence of the argument seems to be that there is a link between the bishops' professional discipline and their place in the Lords, so I suppose that that does provide a difference between their position and that of other professions. Nevertheless, the Minister is right that to my party the place of the bishops in the Lords is an unacceptable anomaly.

Mr. Grieve: It may be an anomaly, but the Church of England remains established. If the Church became disestablished, the bishops would leave anyway, and at that point the hon. Gentleman's arguments might have more force. It is a circular argument, and I think that the Minister is right. If the matter were to be pressed to a Division, we would support the Government.

David Howarth: I accept that point, but there is a logical connection between our position on this issue and our position on disestablishment. That is not part of this Bill—more is the pity, although perhaps it covers enough issues already. In any case, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Mr. Wills: This clause deals with supplementary matters relating to this part of the Bill. Clause 34(1) has the effect that a life or hereditary peer in the House of Lords who sits in and votes on its proceedings despite meeting the conditions required for disqualification or after being expelled or suspended shall not cause the proceedings to be brought into question. The provision also applies to those who have resigned. It is primarily intended to address the types of circumstances in which a Member might more easily conceal actions that would lead to their removal under the discipline provisions of the Bill. That could be a risk if a serious offence and subsequent sentence and conviction occur abroad.

Some might argue, of course, that if a person who is not considered fit and proper to sit causes legislation to reach the statute book in a different form from what it would otherwise have been, it should require correction. However, by the same logic, we would have to call into question legislation passed, during consideration of which, for example, a peer had sat and voted who at the time had committed a serious criminal offence, but who had not yet been found guilty and therefore disqualified or expelled from the House.

It is highly undesirable, of course, that a Member who is not entitled to sit and vote—

10 pm

Debate interrupted (Programme Order, this day).

The Chairman put forthwith the Question already proposed from the Chair (Standing Order No. 83D), That the clause stand part of the Bill.

Question agreed to.

Clause 34 ordered to stand part of the Bill.

The Chairman left the Chair to report progress and ask leave to sit again (Programme Order, this day).

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CONSTITUTIONAL LAW

That the draft National Assembly for Wales (Legislative Competence) (Health and Health Services and Social Welfare) Order 2010, which was laid before this House on 10 December, be approved.—*(Helen Jones.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

IMMIGRATION

That the draft Asylum (Designated States) Order 2010, which was laid before this House on 6 January, be approved.—*(Helen Jones.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

DAIRY MARKET SITUATION

That this House takes note of European Union Document No. 12289/09 and Addendum 1, Commission Communication on the Dairy Market Situation 2009, and European Union Document No. 14270/09, draft Council Regulation amending Regulation 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (single

CMO Regulation); notes further the establishment by the European Commission of the High Level Group on milk to discuss medium and long-term arrangements for the dairy sector; and supports the Government's objectives of ensuring a UK dairy supply chain that has a sound long-term future, is competitive, profitable and responsive to market demand and which only receives subsidies for the delivery of public goods.—*(Helen Jones.)*

Question agreed to.

BUSINESS OF THE HOUSE

Motion made,.

That, at the sitting on Thursday 28 January, notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means may be entered upon at any hour, and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Helen Jones.)*

Hon. Members: Object.

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Motion made,

That, for the purposes of its approval under section 5 of the European Communities (Amendment) Act 1993, the Government's assessment as set out in the Pre-Budget Report 2009 shall be treated as if it were an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees).—*(Helen Jones.)*

Hon. Members: Object

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Wednesday 3 February, notwithstanding the provisions of Standing Order No. 16 (Proceedings under an Act or on European Union documents), the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Secretary Alan Johnson relating to Police Grant Report not later than three hours after the commencement of proceedings on the Motion, and shall put the Questions necessary to dispose of proceedings on the Motions in the name of Secretary John Denham relating to Local Government Finance and Council Tax not later than six hours after the commencement of proceedings on the Motion relating to Police Grant Report; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Helen Jones.)*

PETITIONS

Badman Report (West Dorset)

10.1 pm

Mr. Oliver Letwin (West Dorset) (Con): I rise to ask the House to consider the petition of 29 of my constituents who are involved in home education. I myself have been involved with many of them. On the whole, they offer their children an excellent education. They are already properly regulated by the elective home education guidelines in Dorset, and I see no reason why they should not be able to be so regulated in the future. The petition requests that the House of Commons urges the Secretary of State for Children, Schools and Families either not to bring forward, or to withdraw, his proposals to implement the Badman report.

Following is the full text of the petition:

[The Petition of persons resident in the West Dorset parliamentary constituency,

Declares that they are concerned about the recommendations of the Badman Report, which suggests closer monitoring of home educators, including a compulsory annual registration scheme and right of access to people's homes for local authority officials; further declares that the Petitioners believe the recommendations are based on a review that was extremely rushed, failed to give due consideration to the evidence, failed to ensure that the data it collected were sufficiently robust, and failed to take proper account of the existing legislative framework.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Children, Schools and Families either not to bring forward, or to withdraw, proposed legislative measures providing for tighter registration and monitoring of children educated at home in the absence of a thorough independent inquiry into the condition and future of elective home education in England; but instead to take the steps necessary to ensure that the existing Elective Home Education Guidelines for Local Authorities are properly implemented, learning from current best practice, in all local authorities in England.

And the Petitioners remain, etc.]

[P000720]

Bank Branch Closure (Thurnscoe)

10.2 pm

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I wish to present a petition on behalf of more than 250 residents in the former mining village of Thurnscoe in my constituency.

The petitions states:

The Petition of residents of Thurnscoe in Barnsley and others,

Declares that when the Thurnscoe branch of HSBC closes on the fifth of February, it will mean that customers will have to travel to either the Wath branch or the Barnsley branch, both of which are approximately nine miles away.

Further declares that travelling to either of the other branches is difficult because bus services are only once an hour, and because many affected people are OAPs without any other means of transport.

The Petitioners therefore request that the House of Commons urges the Government to take steps to ensure that the Thurnscoe branch of HSBC remains open for one or more days a week.

And the Petitioners remain, etc.

[P000721]

Homosexuals (Right to Marriage)

10.3 pm

Stephen Williams (Bristol, West) (LD): This petition comes mainly from students at Fairfield high school.

The petition states:

The Petition of residents of Bristol and others,

Declares that the Petitioners disapprove of the fact that homosexuals do not have the right to a legal ceremony of marriage.

The Petitioners therefore request that the House of Commons urge the Government to bring forward legislation to give homosexuals the right to a legal ceremony of marriage.

And the Petitioners remain, etc.

[P000707]

Gaza

10.4 pm

Stephen Williams (Bristol, West) (LD): This petition states:

The Petition of residents of Bristol and others,

Declares that the Government should fulfil its responsibilities as a high contracting party to the Geneva Convention.

The Petitioners therefore request that the House of Commons urges the Government to immediately take steps to institute a war crimes investigation in the UK into Israeli attacks on the Gaza Strip between 27th December and 18th January 2009, and for the UK prosecuting authorities to search out and prosecute (or extradite for trial elsewhere) all suspected war criminals identified by the investigation; and urges the Government to seek a binding resolution at the UN Security Council to establish an international commission of inquiry into the Gaza attacks and the referral of potential cases to the International Criminal Court.

And the Petitioners remain, etc.

[P000706]

Cadbury

Motion made, and Question proposed, That this House do now adjourn.—*(Steve McCabe.)*

10.5 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): A week today, we will know whether Cadbury shareholders have succumbed to the offer from Kraft, worth 850p a share. There is still time for investors to look to the long-term value of the company, which is currently in good health, with no debts. In contrast, Kraft's debts will have gone from $10 billion in 2006 to $30 billion if it succeeds in taking over Cadbury. However, the signs that Cadbury will remain in British hands are not optimistic, given that more than a quarter of shareholders are now hedge funds, those Johnny-come-latelies who bought into the company only to make a fast buck.

Since coming to power in 1997, new Labour has fully embraced the Anglo-Saxon model of unfettered market capitalism, such that, as Lord Myners has acknowledged, it is easier to take over a company here than anywhere else in the world. So when the Business Secretary made his exhortation before Christmas, saying that Kraft would face huge opposition from the Government if it tried to make a quick buck out of Cadbury, he could not deliver on that commitment. I therefore want to use the opportunity of this debate to explore what lessons can be learned from the Cadbury debacle, to try to ensure that other British companies do not similarly fall prey to hostile takeovers that are in the interests of neither the company nor UK plc.

That is not to say that I want to argue that all takeovers are bad or that I want to return to devil-take-the-hindmost protectionism. Britain has greatly benefited from overseas investment by companies such as Toyota and Honda. I do not want to discourage such long-term investment, which has brought improved technological and management capabilities. My concern is for those British-owned companies that are well run and have good prospects for retaining high-value-added functions in the UK, creating jobs in research and innovation and jobs requiring high skills. The Government cannot pick winners, but they should create a framework in which such companies can prosper but not be so easily subject to predatory activity. We have learned over the credit crunch of the importance of the relationship between the enabling state and successful business. I hope that we have learned that Keynesian economics should not have been so casually abandoned.

People in Birmingham and the west midlands have been hard hit by the recession—the consequence of an over-reliance on financial services and the downgrading of the importance given to manufacturing. Even though Rover, LDV and HP Foods were struggling companies, their demise hit us hard. However, when we woke up last Tuesday morning and heard that the board of Cadbury was going to recommend that shareholders accept the Kraft offer, we were shocked and angry. Was it not only seven days previously that Cadbury had issued a revised document to shareholders urging them to reject a bid representing only 12 times historical earnings? Why was the last-minute higher offer, at just under 13 times historical earnings—still a derisory multiple compared with takeovers of comparable well-branded food businesses—suddenly deemed acceptable? Surely

[Lynne Jones]

all the arguments about the importance of keeping Cadbury independent as a successful and profitable British company were as valid then as they were only a week earlier.

The answer to the abandonment of all logic beyond that of the casino must surely lie in the activities of hedge funds and other investors who are interested in buying shares with the sole aim of profiteering from a takeover battle. They do not care about the long-term health of the company, and, in the case of Cadbury, they are quite happy to see the successor company saddled with a further £7 billion of debt, so long as they get their payout. So it is not Kraft that has made a quick buck, but fly-by-night investors. It is deeply disappointing that the Cadbury board capitulated to the pressure from those hedge funds and other shareholders, who were making it known that they would be prepared to accept a higher bid from Kraft—in some cases a bid as low as 830p a share.

That is the reality of the light-touch regulation of market capitalism that we experience today. The good will towards Cadbury from its employees and the wider population, as well as from small investors and some corporate shareholders, is apparently worthless against such an onslaught. The Cadbury board owes a fiduciary duty only to its shareholders. That cannot be right. Narrowly defined share value is not a measure of real worth. Employees' commitment feeds into the bottom line.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Does my hon. Friend share my outrage that the hon. Member for Leominster (Bill Wiggin) saw fit, when describing the Cadbury work force, to say:

"who wants to hire a whingeing workforce when you could hire a really positive upbeat one?"

Surely we need to talk up the work force in order to support Cadbury in Birmingham.

Lynne Jones: That is exactly right. My hon. Friend makes my point for me.

Bill Wiggin (Leominster) (Con): Will the hon. Lady give way?

Lynne Jones: We have an excellent work force at Cadbury who have committed themselves to working hard—

Bill Wiggin: On a point of order, Mr. Deputy Speaker. I believe that, perhaps inadvertently, the hon. Member for Birmingham, Edgbaston (Ms Stuart) seeks to misrepresent my true feelings about this particular debate. What I actually said was:

"I have seen the trade unions talking down this company and I worry that by sending out such negative signals it puts people's jobs more at risk because who wants to hire a whingeing workforce when you could hire a really positive upbeat one?"

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I think that personalities are best kept out of this. This is a serious subject about which many thousands of people will be concerned. That is the subject matter of this debate, as represented by the presence of hon. Members this evening. I have allowed the hon. Gentleman some latitude, because the hon. Member for Birmingham, Edgbaston (Ms Stuart) mentioned his name, but this is not a point of order. He is seeking to continue the debate. Maybe, at some point, the hon. Member for Birmingham, Selly Oak (Lynne Jones) will allow a further intervention, but that is up to her.

Lynne Jones: I think that the hon. Gentleman's words condemn him themselves, in terms of his attitude towards the work force and the trade unions—

Bill Wiggin: Further to that point of order, Mr. Deputy Speaker. Is it in order that those hon. Members, both of whom have spoken in the debate, and both of whom have received money to their constituency Labour parties—

Mr. Deputy Speaker: Order—

Bill Wiggin *rose*—

Mr. Deputy Speaker: Order. I have ruled that the hon. Gentleman's original intervention was not a point of order, and his second one certainly is not. I have also—

Bill Wiggin *rose*—

Mr. Deputy Speaker: Order. I have also appealed for this debate to be taken seriously. This is a matter of considerable national interest as well as being a matter of interest in the Birmingham and west midlands area, and it should be dealt with on that basis. I hope that there will be no more personality references, because they are not serving the interests of Cadbury employees at all.

Lynne Jones: Thank you, Mr. Deputy Speaker.

It is quite clear from the number of Members attending this debate that there is considerable interest in it. In December, a delegation of Birmingham MPs, including my hon. Friends the Members for Birmingham, Northfield (Richard Burden) and for Birmingham, Hall Green (Steve McCabe), and representatives of Unite, who were fighting on behalf of the company, met Lord Mandelson to urge the Government to support the campaign to keep Cadbury a British company. We were grateful to him for using the power of words, but nothing concrete came out of the meeting except a surprising admission from the Secretary of State that new laws might be needed to ensure good stewardship of companies. The latest twist in the Cadbury affair demonstrates that this is indeed the case, and the Government must now urgently examine what regulations could be introduced to ensure that the interests of all stakeholders are considered.

I am not an expert in this area, but I expect the Government to look to those with such expertise to put on their thinking caps. I understand that there are proposals coming from the EU for the stronger regulation of hedge funds. Other measures that have been suggested include the barring of short-term shareholders from voting in takeover battles, and capping the amount of debt that can be taken on.

In an interview with the *Financial Times* last November, Lord Mandelson said that if he could turn the clock back, he would like to see more large UK-owned manufacturers because of their role in creating wealth.

Looking forward, what action are the Government prepared to take to ensure that we do not have even fewer UK-owned companies?

Before I move on to the future for Cadbury if the Kraft takeover goes ahead, I must mention the role of majority-state-owned Royal Bank of Scotland in helping to finance the Kraft bid. That is a cause of great consternation among taxpayers, who see the bank as using their money to put British workers on the dole, as well as stabbing Cadbury, one of their corporate customers, in the back. The argument that if it withdrew another institution would step up in its place does not wash with my constituents. It is the argument used to justify other dubious activities, such as selling arms or trading with repressive regimes. Surely such investment would be better going into good British businesses.

Whatever the outcome, as the Member of Parliament representing Bournville my focus must now be on securing the future of the operation there, and joining other colleagues to protect jobs in other plants.

Richard Burden (Birmingham, Northfield) (Lab): My hon. Friend makes an excellent case. No doubt she will refer to some of the assurances that Kraft has offered. May I put it to her that we need more from Kraft than bland assurances? We need to know the specifics, and quickly, of its intentions, including for the high-level research and development jobs and for other things at Bournville. Acting on such words will be important for the future of Bournville and other plants.

Lynne Jones: I entirely agree with my hon. Friend, and I will mention such assurances later.

As a result of the huge additional debt foisted on the business, as well as of the millions paid to bankers and accountants, Kraft is looking to make more than $675 million-worth of savings. I accept that some of that will come from so-called "synergies" within the business, but it will inevitably lead to corporate job losses. The question that my hon. Friend has raised is whether manufacturing jobs and jobs in research and development and innovation will be retained and will grow. Will Kraft retain the commitment to fair trade under Cadbury?

Kraft has told me that it has great respect for Cadbury plc and its employees. It says that it is eager to build on Cadbury's iconic brands and strong British heritage and innovation. In response to criticisms of its closure of Terry's in York, it has emphasised that national brands such as Milka in Germany, Marabou in Sweden and Toblerone in Switzerland are still made in their biggest domestic markets. That may be the case. From comments made by the Prime Minister, it seems that similar assurances have been given to the Government. It is too early to take comfort from those assurances. Kraft says that it would "love to figure out" how to keep open the Keynsham plant that Cadbury would close. However, given that that was an early commitment in meetings with trade unions, I had hoped that it might be more definite about that by now. Nevertheless, there has been heavy investment in Bournville and other plants, and there can be no good reason for Kraft to run down such efficient operations.

May I finish by asking the Minister exactly what the Prime Minister meant when he said that the Government would do everything they can to make sure that jobs and investment are maintained in Britain? How will that commitment be delivered?

10.19 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): I am grateful to my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) for introducing the debate. I understand her concerns about the proposed takeover of Cadbury by Kraft, which she has set out eloquently this evening. I understand the concerns across the Chamber, evidenced by the attendance at the debate this evening, and the national concerns about the matter.

Mr. David Winnick (Walsall, North) (Lab): Obviously, what is happening regarding Cadbury concerns Birmingham, and rightly so, but will the Minister accept that there is deep concern and anxiety in the black country and Coventry, too?

Ian Lucas: Indeed. I was going on to say that Cadbury employs 5,700 people at eight manufacturing locations across Britain and Ireland. It has plants in Bourneville in Birmingham, the Marlbrook centre at Leominster in Herefordshire and the Somerdale plant in Keynsham just outside Bristol, represented by the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Wansdyke (Dan Norris).

John Mann (Bassetlaw) (Lab): Does the Minister recognise the importance of the fight of the workers in Keynsham, backed by their local MP, to preserve their jobs, which were under threat in advance of the takeover bid?

Ian Lucas: Indeed. We should reflect on that and recognise that there were concerns about jobs before the proposal and, of course, there are concerns now. There is also a Cadbury factory just outside Wrexham in Chirk, very close to my constituency. This is an issue that concerns not just the midlands but elsewhere across the country. More than that, we all know that Cadbury is not just a British brand but a British institution.

Mr. Jim Cunningham (Coventry, South) (Lab): Cadbury is an institution in this country. We have people in Coventry who work for Cadbury. More importantly, is there not a case for having another look at corporation law regarding this matter?

Ian Lucas: I will go on to discuss such matters if I can make some progress.

Cadbury is a multimillion pound company and its annual revenue growth has been 6.3 per cent. per year. We know of course that the company has a long and distinguished history. It has enormous civic achievements that have transformed lives and communities, and we recognise that the Cadbury family were social as well as chocolate pioneers. George Cadbury's decision to buy the 120 acres of land close to his works in Birmingham led to the creation of the model village with its own social security programme. George was always very explicit about his purpose there—to "ameliorate the condition of the working class and labouring population by the provision of improved dwellings with gardens and open space to be enjoyed therewith."

Dr. Tony Wright (Cannock Chase) (Lab): As someone who has lived in Bourneville for the past 35 years—within inhaling distance of the chocolate factory—may I say that this is not any old company? As the Minister says,

[Dr. Tony Wright]

this is a company with a sense of belief and commitment to its own community. It is a model company. The sense of anger and betrayal in the area about what has happened cannot be underestimated and we want a response that is appropriate to that.

Ian Lucas: I well understand and appreciate the level of concern that this proposal is causing to local MPs and others across the country.

I want to turn to the takeover itself. It is important to set out the facts relating to it. The Cadbury board has now recommended acceptance of the final takeover from Kraft Foods, which values Cadbury at £11.9 billion. That takeover would create the world's largest confectioner. Kraft must secure more than 50 per cent. of shareholder votes by 2 February for its bid to succeed. That is where we are.

As I have said, we are acutely aware of the strength of feeling generated by the takeover, which we have seen in the wider media, the debate this evening and in the House over the past few weeks. Cadbury is a long-established company with a committed work force that are performing well. It is a significant business with an extraordinary heritage and many stakeholders, both in this country and around the world.

As Members have said, it is very early to discuss what might happen after the merger process is complete. Kraft needs to make its plans clearer. Kraft has made encouraging noises about its respect for Cadbury's brands, heritage and people. In a conference call with investors on 19 January, Kraft's chief executive, Irene Rosenfeld, said:

"We will continue with a significant presence in the UK and reiterate our previous statements of safeguarding the operations in both Bourneville and Somerdale. We will be a net importer of UK jobs and will continue to have a strong presence here."

It now has to be very clear about what it will put into Cadbury to build its capacity for growth. I know that my noble Friend the Secretary of State for Business, Innovation and Skills will be having an early meeting with Kraft senior management. He will be looking to hear how Kraft will fulfil the commitment it has made to the Cadbury work force and to the company's long-term future. Our Government offices and regional development agencies are also in touch with Cadbury and are pursuing further information from Kraft.

Peter Luff (Mid-Worcestershire) (Con): What I am concerned about is that for months Ministers in the Department, particularly the Secretary of State, were indicating their opposition to this takeover. They have demonstrated that they have no powers to prevent the takeover from happening and now they are seeking assurances from Kraft. Can the Minister confirm that they have no powers to enforce these assurances?

Ian Lucas: If the hon. Gentleman is patient, I shall discuss the Government's powers. We are determined that the levels of investment in Cadbury UK are maintained and that, at a time when people are worried about their jobs, the utmost is done to secure those jobs.

A number of concerns have been raised both in the House and in the media about the proposed takeover, and I wish to deal with each in turn. The first relates to the suggestion that the Government could have done more to intervene. Let me make it clear that the Government have no statutory power to intervene in this case. The relevant independent competition authorities are responsible for considering whether it gave rise to any concerns about a possible loss of effective competition. Ministers have the power to intervene in merger cases only where they raise specific concerns relevant to a legitimate public interest such as national security. There seems no reason to consider that such an intervention would be appropriate in this particular merger.

Lynne Jones *rose—*

Ian Lucas: I must make some progress. I might then be able to give way later.

The second question relates to the level of debt involved in the takeover and the knock-on effect that it might have for jobs at Cadbury plants. I am afraid that the answer is that the matter must be one for the shareholders to decide.

The third and final issue that I wish to touch on is foreign ownership. I understand the concerns about the impact on jobs, but we must not forget how much this country benefits from foreign investment. My hon. Friend referred to the investment made by companies such as Toyota and Honda. Indeed, it is not simply new investment for greenfield sites, as she mentioned; companies such as Mini in Oxford and Bentley in Crewe have benefited hugely from foreign investment and from takeover situations. We must recognise that it is very valuable to have a system that encourages investment from overseas. There is currently $5 trillion of foreign investment in the UK—that is $5 trillion of foreign shareholding providing the money for millions of jobs, new investment and innovation—so it would be wrong to cast doubt on the value of foreign investment. Let us not forget that this works both ways; UK outward investment is slightly higher than our inward investment. For example, in 2000 Vodafone took over German firm Mannesmann for £112 billion. We thus have to think carefully about the investor relationship that has served this country so well in those respects.

Lynne Jones: Does the Minister intend to address my point about predatory takeovers and the involvement of hedge funds?

Ian Lucas: I do intend to address the issue of long-term investment, if I am allowed to proceed. I recognise that there is a valid concern about the nature of ownership. The Government consider that the best way to run a company is through enlightened shareholder value and for directors to take a long-term view. That was at the heart of the company law review that led to the Companies Act 2006. The best companies apply that principle, and we want to make sure that all do. It is up to shareholders to take a decision on the plans in front of them, but they need to look beyond short-term profit.

We believe that there is real value in having a discussion about how we build a stronger culture of long-term commitment to sustainable company growth in this country. That should be based on co-operation between the ultimate owners, fund managers and the corporate sector. Recent reviews by Sir David Walker and Sir Christopher Hogg have raised important issues, particularly

to do with the effectiveness of institutional investor engagement in the long-term interests of UK companies. One part of the solution will be the new investor stewardship code on the responsibilities of institutional investors. The Financial Reporting Council will consult on that shortly.

It is important that we take into account the position of all individuals who have funds from which they earn money—pension funds and other investments—and encourage them to take an active role in determining how their sums are invested in future. The Secretary of State for Business, Innovation and Skills recently had a very productive round-table discussion with investors, fund managers and representatives of companies to consider those important issues and to look at how to improve engagement for the long term.

The debate engendered by the proposal and the takeover has created an atmosphere in which many new ideas on long-term investment are being put forward. The Government will consider those ideas as they come forward. They have already initiated debate and reports from Sir David Walker and Sir Christopher Hogg; some of that work predated the proposal. In our discussions with the investor community, we repeatedly stress the importance of long-term investment for the future of British industry, and we stress that long-term investors should have the interests of the United Kingdom at the forefront of their minds.

Cadbury is an iconic brand. It has had, and continues to have, a huge impact, not just on the lives of its work force, but on the community around it and on the country. We understand the concerns that Cadbury employees have at this uncertain time about their jobs and the survival of this valuable British asset. We are determined to maintain levels of investment in Cadbury in the United Kingdom, and to ensure that jobs are secured.

What Kraft has been saying until now is encouraging. We will continue to talk to it about the future, and to discuss its proposals for development of the business in the UK. Ultimately, those are matters not for the Government but for shareholders of the company. The last thing that we wish to do is threaten investment in UK companies, but I believe that there is genuine cause for concern—concern that has been eloquently expressed in this debate. I am sure that the Government will reflect on that. The concern is not about who owns a company, but about the nature of that ownership. We are working to encourage and strengthen among investors a culture of long-term commitment and engagement to businesses based in the United Kingdom.

Question put and agreed to.

10.33 pm

House adjourned.

House of Commons

Wednesday 27 January 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES BILL [*LORDS*]
(BY ORDER)

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Wednesday 3 February.

Oral Answers to Questions

DUCHY OF LANCASTER

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster was asked—

Youth Citizenship Commission

1. **Natascha Engel** (North-East Derbyshire) (Lab): What steps her Department has taken to implement the recommendations of the Youth Citizenship Commission. [313350]

The Parliamentary Secretary, Cabinet Office (Ms Dawn Butler): I am co-ordinating the Government response to the Youth Citizenship Commission. I have been impressed by the breadth of commitment of all Government Departments in engaging young people as active citizens in their communities and as they go through the transition to adulthood. I expect to publish my findings in response to the YCC in February, when I shall report on the significant amount of Government initiatives on delivery for young people.

Natascha Engel: I thank my hon. Friend for that answer. As she knows, the UK Youth Parliament is absolutely key to delivering on the proposals outlined by the YCC. Will she press the House authorities to provide core funding for the UK Youth Parliament to secure its future, so that it can deliver on those proposals?

Ms Butler: I would like to congratulate my hon. Friend on all her work for the all-party parliamentary group on youth affairs. She does an excellent job. The UK Youth Parliament is a real success story: my hon. Friend will know that it held a great debate here in the House, and one of its key priorities is to lower the voting age to 16. She makes a valuable point, and I will indeed press the House authorities to try to ensure that we get some core funding for the UKYP.

Mr. David Evennett (Bexleyheath and Crayford) (Con): We are all very keen to get more young people involved in the electoral process, and to ensure that they vote and participate. An election is near, so what more can the Government do to fulfil the commission's recommendation that eligible pupils should be encouraged to register via school to make sure that they participate when it comes?

Ms Butler: The hon. Gentleman makes another valuable point. We do not need any changes in law to ensure that young people are registered in schools, colleges and universities. We need to encourage those institutions to make sure that young people are encouraged to sign on and be registered to vote when they reach 17, so that we have the maximum number participating in the next election.

Get Safe Online Initiative

Q2. **Alison Seabeck** (Plymouth, Devonport) (Lab): What assessment she has made of the effectiveness of her Department's Get Safe Online campaign. [313352]

Q6. **Mrs. Betty Williams** (Conwy) (Lab): What steps her Department is taking to raise public awareness of internet safety. [313356]

The Minister for the Cabinet Office and for the Olympics, and Paymaster General (Tessa Jowell): By sponsoring the Get Safe Online initiative, my Department continues to work with private sector partners to raise the very important issue of public awareness of internet safety. The Get Safe Online initiative has won two prestigious awards for this joint working, and it continues to increase the number and length of visits to its website. There have been more than 605,000 links to the site—far more than its US counterpart, which has achieved only 25,000.

Alison Seabeck: I thank my right hon. Friend for her reply. A lot of people in my constituency still enjoy using cheques, which is a good thing, but more and more people—especially elderly people—are seeking to shop online because it is easy. What additional support and advice can she offer older users of the internet, who may be less familiar with the systems? What protections are in place?

Tessa Jowell: My hon. Friend has been a long-standing campaigner on this issue on behalf of her elderly constituents. It is an extremely important matter, as people over 65 are the fastest growing group of internet users. That may seem slightly counter-intuitive, but that group of users grew by 15 per cent. in 2009 over the previous year, whereas the number of younger people using the internet grew by only 3 per cent. in the same period. Get Safe Online works specifically with Age Concern and has focused precisely on the important issue of security in banking and other financial transactions. It is important that the technology and content of websites always keeps ahead of fraud's capacity to cause great anxiety and distress.

Mrs. Betty Williams: What are my right hon. Friend and her colleagues doing to encourage new sponsors to support this very valuable initiative?

Tessa Jowell: I thank my hon. Friend for that question. Get Safe Online is a joint initiative, involving the Government and important private sector sponsors such as HSBC and Microsoft. Indeed, the Minister for the third sector, my right hon. Friend the Member for Basildon (Angela E. Smith), recently hosted a sponsorship event as a result of which two new sponsors came on stream. It is clear that sponsors understand the initiative's potential public benefit when it is presented to them. It is a very attractive sponsorship proposition.

Mark Pritchard (The Wrekin) (Con): The Minister mentioned fraud. With an increasing number of people being used as money mules, what are the Government doing to track down the foreign international gangs behind those schemes, and in particular to prosecute UK citizens who take their cut of the money?

Tessa Jowell: I would like to refer the hon. Gentleman's question to the Home Office, which takes the lead on this. I do not think that I referred specifically to money mules; I referred to protection for elderly people doing their banking and other financial transactions online. I hope that, as far as there is operational responsibility for this, his point about anticipating crime and future forms of fraud is taken into account in the constant review under the auspices of Get Safe Online working with the relevant organisations.

Jenny Willott (Cardiff, Central) (LD): There has been a dramatic increase in cyber crime related to online transactions, as the Minister mentioned. Treasury figures show that transactions have more than doubled in the last three years, but the amount of identify theft and fraud has nearly quadrupled in the same period. What are the Government doing to tackle this growing problem, and what assessment has been made of the Payments Council's decision to phase out cheques?

Tessa Jowell: My right hon. Friend the Minister of State is taking forward this very important work, meeting the relevant stakeholders. Once those discussions have concluded, she will want to make a statement to the House.

NHS Charities

4. **Mr. Peter Bone** (Wellingborough) (Con): What discussions she has had with the Charity Commission and the Secretary of State for Health on proposed changes to the accounting treatment of NHS charities. [313354]

The Minister of State, Cabinet Office (Angela E. Smith): I have discussed the accounting arrangements for NHS charities with the Charity Commission and with the Minister of State, Department of Health, my hon. Friend the Member for Corby (Phil Hope). The funds of an NHS charity are, and will continue to be, controlled by the charity's trustees for charitable purposes. The international financial reporting standard will have no effect on the independence of those funds. My hon. Friend the Member for Corby, however, has engaged with colleagues in the Treasury to seek to delay the implementation of that requirement for a further year.

Mr. Bone: That was a slightly confusing response. Will the Minister make it quite clear whether the Government are pursuing the option of consolidating NHS charities on NHS balance sheets? Can we just have a simple yes or no?

Angela E. Smith: The hon. Gentleman may operate in a world in which yes or no does it for him, but most things in life are a bit more complex. However, I can give him a categorical assurance that the finances of NHS charities will remain entirely controlled by the trustees of those charities, which is appropriate. All that we are talking about, and the source of the confusion and misunderstanding, is a technical change to accounting and reporting arrangements. I can give the hon. Gentleman an absolute assurance that funds will remain controlled by the trustees, and will continue to be controlled by the trustees.

Mr. Bill Olner (Nuneaton) (Lab): My right hon. Friend will know that many communities give a great deal of support to NHS services, both in the hospice movement and in general health services. People would be dismayed if they thought that the moneys given voluntarily would be used against the NHS hospital budgets.

Angela E. Smith: I agree with my hon. Friend, and they will not be. This is purely a technical accounting matter, so I am sorry about those concerns, because they are unfounded. There is no intention whatsoever that anything should be done with charity funds, which should remain with those charities. It is a purely technical accounting matter, and I hope that those assurances will satisfy my hon. Friend.

Mr. Douglas Carswell (Harwich) (Con): The Minister described this as a purely technical matter, but is there not a danger that NHS charities could be subject in effect to more central micro-management? Should we not seek in fact to decentralise control?

Angela E. Smith: I can assure the hon. Gentleman that there is no such intention. This arrangement will not centralise any funding or any control of those charitable funds at all.

Mr. Lindsay Hoyle (Chorley) (Lab): I welcome my right hon. Friend's statement that she is going to defer implementation for 12 months, but may I persuade her to go back and have further meetings, and support the *Sunday People* campaign not to introduce the new arrangement at all, and ensure that people feel happy to give freely and openly to charities in the NHS without any issues?

Angela E. Smith: First of all, I do not have the power to introduce it or not. It is a matter for the Treasury, because it is a technical—

Mr. Hoyle: You can do better than that Angela.

Angela E. Smith: If I can finish answering the question that my hon. Friend asked. [Hon. Members: "Oh!] I would always wish to respond to my hon. Friend in full, and I will continue to do so. I am sorry that there is misunderstanding about this, because we do not want

people not to give to charities in the NHS because they think that the money will not be used appropriately. It is purely a technical matter but, as I said, the Health Minister, my hon. Friend the Member for Corby, has asked the Treasury to defer implementation for a year to provide the reassurance that is required.

Mr. Nick Hurd (Ruislip-Northwood) (Con): The Charity Commission does not agree with the Government. It warned 18 months ago that the proposals risk undermining public confidence in the independence of NHS charities, but still the Government dither. Those accounting standards were never meant to be applied to charities. Other countries have chosen not to apply them in this way. They are being imposed because of bureaucratic diktat. The issue needs gripping by Ministers, so will the right hon. Lady pledge to work with colleagues in the Department of Health and Monitor to persuade the Treasury not just to defer a decision for another year, but to drop this whole nonsense altogether?

Angela E. Smith: I am not sure that there is any disagreement in the House on the principle of what the Government seek to do. NHS charities should have their funds independently administered by the trustees, which is the law. As I said, the Health Minister, who has been dealing with the matter with the Treasury, fully understands the views of the House and will ensure that they are represented at all times.

2011 Census

Q5. **James Duddridge** (Rochford and Southend, East) (Con): What the percentage response rates were to the 2011 census rehearsal in October 2009. [313355]

The Minister of State, Cabinet Office (Angela E. Smith): The census rehearsal, unlike the 2011 census, was voluntary and was carried out in just three areas. To date, the provisional percentage response is 38 per cent. overall and analysis of the rehearsal returns is still ongoing.

James Duddridge: The Minister, knowing Southend well, will know that I am appalled by those low figures, given that the 94 per cent. average at the last census was even lower in Southend. We felt that we undercounted by about 20,000 people, which cost us £7 million each year. Will the Minister agree to meet me and Southend council in the time before the general election to make sure that we are fully prepared for 2011?

Angela E. Smith: I would be happy to meet the hon. Gentleman. In fact, I would be happy to meet him after the general election as well, to discuss the matter. I understand the points that he makes, but the census rehearsal is voluntary. There was no publicity about it and it does not in any way reflect the response rate that we will get for the census, which I anticipate will be much the same as at the last census. What I can tell the hon. Gentleman, which will be helpful in terms of the points that he raises, is that additional work is ongoing by the Office for National Statistics, which undertakes the census, to ensure that the response rate is as high as possible. That is part of the reason for the rehearsal—to look at the actions that the ONS can and will take in areas that traditionally send in fewer response forms. So action is being taken to address the very points that he made. Indeed, the ONS has been meeting Southend council and others to look at increasing the response rate.

Julie Morgan (Cardiff, North) (Lab): What efforts are being made to reach groups that are traditionally difficult to reach, such as ethnic groups or Gypsies and Travellers?

Angela E. Smith: The ONS has put additional work into that. More than £2 million will be spent to encourage organisations and individuals who have been more reluctant to respond to the census to encourage them to do so. Billions of pounds of public money is allocated in expenditure each year, and it is right that we have projections of where the population lives and what the needs of future populations will be. That applies to all populations in this country, so every effort will be made and extra resources will be put into ensuring that those people are able to respond.

Mr. Francis Maude (Horsham) (Con): How can the cost of half a billion pounds, which is double the cost of the last census, be justified at this time of fiscal crisis? In 2001, 10 per cent. of the data was not even counted; it was imputed. Is this not a thoroughly wasteful and inaccurate exercise?

Angela E. Smith: Absolutely not. It is a very valuable and important exercise. The cost is about £482 million, but we estimate that the benefit to the economy of the work that has been done is about £700 million, so the benefits outweigh the cost. The cost is about 87p per person per year. For every person in the country to pay 87p per year for the benefit that we get from the census is good value.

Mr. Maude: The census is not even accurate. Why are Ministers rushing to send millions of the 32-page census forms to the printers this March, a full 12 months before the census date? Should not a responsible Government be scaling the census back? Is not the answer a less intrusive, much cheaper census that offends the public less, increases compliance and therefore yields much more accurate information?

Angela E. Smith: I think the right hon. Gentleman struggles to make his point. If we look at the costs of censuses across the world, our census is better value for money and cheaper than those conducted in such countries as New Zealand, Canada, Australia and the USA. In the USA the census costs more than £2 per person per year—significantly more than in this country. *[Interruption.]* Hon. Members may find that amusing, but I find value for money quite an important aspect. The Government are doing everything they can, working with the ONS, to ensure that the information is accurate. It is important that the response rate is as high as possible. We use the information to help to allocate Government priorities and Government expenditure, so I totally refute the right hon. Gentleman's comments.

Voluntary Sector (Government Funding)

Q7. **Mr. Gary Streeter** (South-West Devon) (Con): What recent representations she has received on the effect on the voluntary sector of changes in levels of Government funding. [313357]

The Minister of State, Cabinet Office (Angela E. Smith): I regularly meet third sector organisations to discuss various issues, including any potential changes to the levels of Government funding. Owing to the third sector's value to the community, public funding increased to £12 billion in the most recent financial year, an increase of more than £3.5 billion over seven years. The Government have further increased their support to the sector with a recession action plan, which is worth up to £42.5 million, and the £17.4 million hardship fund provided additional support. We have also funded a website that provides a one-stop shop for information about funding and financial opportunities, including advice and guidance on sustainable funding opportunities.

Mr. Streeter: I am very grateful to the Minister. Whoever wins the next election, there are likely to be spending cuts in national and local government, and that will inevitably reduce the amount of funding for the third sector just at a time when its burden of social care is on the increase. How does the Minister intend to square that circle?

Angela E. Smith: The issue of local government funding has caused the third sector considerable concern, and we have been working with local government and those who commission services from the third sector to ensure that commissioners are aware of the value of the third sector and how they can best apply for the work that it undertakes on behalf of local government. In terms of social care, that is the most crucial consideration.

Greg Mulholland (Leeds, North-West) (LD): There are issues with Government funding, but council budgets are under huge pressure, too, and, in the drive to enable the third sector to undertake core social services, that is leading to a double pincer movement for many local charities. What will the Minister do to ensure that councils do not simply say, "We cannot fund you," and that we do not lose the core social services that councils used to run?

Angela E. Smith: If third sector organisations are undertaking core social services, they will be doing so on behalf of the local authority, which will fund those services. I say to all local authorities, look for the third sector's value for money and its contribution to the overall objectives of the council and the overall benefits of the area. I am convinced that, when those issues are taken into account and councils see the value that the third sector brings to their area, it will impact on their funding decisions.

Dr. William McCrea (South Antrim) (DUP): Surely the Minister accepts that the voluntary sector makes a vital contribution to the well-being of our society. Therefore, in these difficult financial times, financial support should be strengthened rather than diminished.

Angela E. Smith: It is gratifying to receive so much support for Government funding of the third sector; it has not always been forthcoming from the Opposition. We have addressed those funding issues. During the recession, the Government have given an extra £42.5 million to the third sector, and that support has been absolutely crucial. We want to ensure that we still support the third sector, but we will not regard it as a cheap option for the provision of public services. It is a quality option that deserves to be properly funded.

Government Information Service

Q8. **Norman Baker** (Lewes) (LD): What the work programme of the Government Information Service is for the next 12 months; and if she will make a statement. [313358]

The Parliamentary Secretary, Cabinet Office (Ms Dawn Butler): The Government Communication Network is the successor to the Government Information Service, which was disbanded in 1997. Over the next 12 months, the permanent secretary at the GCN will improve the professional skills of communicators throughout the civil service, maintain professional standards, increase efficiency and deliver maximum value for money. Effective communication performs a critical role in providing important information to the public and improving access to public services. The Government will continue to use communications in support of their policy agenda, building on current successful campaigns.

Norman Baker: I am grateful to the Minister, and I am sure that the Government Communication Network does a marvellous job, but at a time when we are looking to ensure that public money is well spent, will she explain why, for example, it is necessary for the Ministry of Defence to have 255 people employed in communication?

Ms Butler: Over the years, there has been a lot of demand on press officers' time. I will give the hon. Gentleman some figures. There are 374 media personnel in the Press Gallery and more than 3,000 journalists at the BBC, and each of their queries demands a response. On average, the Department for Children, Schools and Families, for instance, receives 600 calls a day. The increase in numbers is a direct response to the increased number of questions to Departments.

Charities (Regulatory Burden)

9. **Mr. Philip Hollobone** (Kettering) (Con): If she will take steps to reduce the regulatory burden on charitable organisations. [313360]

The Minister of State, Cabinet Office (Angela E. Smith): The Government are committed to cutting burdens on charities and other third sector organisations. Further plans outlining how this will be achieved were published last month. The changes that we have already made to charity law and to the accounting and reporting thresholds have resulted in savings for up to 5,000 charities.

Mr. Hollobone: Gift Aid is a wonderful thing, but it is complicated to administer and particularly costly for smaller charities. When can we have some sensible proposals from the right hon. Lady to simplify and reform the system?

Angela E. Smith: Gift Aid is a matter for the Treasury. However, I have regular meetings with representatives from the third sector, as well as with Treasury Ministers, who are reviewing the operation of Gift Aid to see what more they can do to assist charities in this regard.

Tom Levitt (High Peak) (Lab): Is it not the case that the Charities Act 2006 brought rationalisation to the regulations governing the charities sector and therefore

made it much easier, in many ways, for them to function? Is it not also the case that where third sector organisations are delivering other services such as hospices and so on, they must be regulated in terms of the service that they are delivering? What is important, therefore, is not the quantity but the quality of the regulation that we have imposed.

Angela E. Smith: My hon. Friend, who has vast knowledge of the charitable sector, makes a valid point. This is a matter of balance. We need to ensure that there is adequate regulation to protect donors' money and the services that they provide, but we do not want to overburden those organisations with unnecessary regulation.

Ann Winterton (Congleton) (Con): As charities are finding it extremely difficult to maintain income streams because of the fragility of the economy—*[Interruption.]*

Mr. Speaker: Order. I am sorry to interrupt the hon. Lady, but there are far too many private conversations taking place in the Chamber. That is very unfair to the hon. Lady and to the Minister answering the question.

Ann Winterton: I will start again, Mr. Speaker.

As charities are finding it increasingly difficult to maintain income streams, would not now be the very best time to try to reduce the regulatory burden even further to minimise the adverse effects on all charities, including NHS charities?

Angela E. Smith: I do not think the hon. Lady heard my answer to the original question as regards exactly what we are doing. We are publishing plans outlining what more we can do. However, the measures that we have taken to date in relation to charity registration, and other matters, have been welcomed by charities, and we will continue to do what we can to support them.

Advice and Advocacy Services

10. **Hugh Bayley** (City of York) (Lab): If she will take steps to ensure that third sector organisations have sufficient resources to provide advice and advocacy services for people employed by companies that do not recognise trade unions. [313361]

The Minister of State, Cabinet Office (Angela E. Smith): Because of the third sector's value to the community, public funding increased to £12 billion in the last financial year, which amounts to more than £3.5 billion extra over the past seven years. During the recession, we have provided additional funding to advice centres and to the communities they help. That includes an extra £13 million for legal aid, an extra £10 million for additional hours of service by citizens advice bureaux, and more than £6 million for information, advice and guidance services and hardship funds. These services are open to those in every community irrespective of their employment status.

Hugh Bayley: The national minimum wage protects the earnings of vulnerable workers, but during the recession bad employers have sacked low-paid staff or unfairly changed their working conditions, especially in non-unionised workplaces. What have the Government done to support vulnerable workers to ensure that they get good advice and representation about their rights at work?

Angela E. Smith: I would urge every member of the public in employment to be a member of a trade union that protects their rights. However, the Government provide additional support to ACAS, to the pay and work rights helpline, and to the Directgov website. We also have a campaign to ensure that workers are aware of their rights at work so they cannot be discriminated against and treated as my hon. Friend describes.

Grassroots Grant Programme

12. **Clive Efford** (Eltham) (Lab): What recent assessment she has made of the effects on local communities of her Department's grassroots grants programme. [313363]

The Minister of State, Cabinet Office (Angela E. Smith): The £130 million grassroots grants programme has already provided more than 13,000 grants to small charities and voluntary organisations, totalling more than £33 million. Those grants have enabled small groups across England to do what they think is best to meet the needs of their own communities. More than £13 million has been received in donations from businesses and individuals, which has been boosted by the Government's provision of £25 million through match funding.

Clive Efford: Does my right hon. Friend agree that voluntary organisations in receipt of that money are best placed to provide opportunities for young people to get employment through sport and training opportunities, and that that provides people with an excellent opportunity to participate in making their communities better?

Angela E. Smith: I would commend my hon. Friend for the work that he has done in his constituency on this issue, working with the third sector and encouraging young people to volunteer and engage. He is absolutely right that the ability to volunteer seems to be a route into employment because of the skills and confidence that people gain through volunteering.

Charities (Regulatory Burden)

13. **Tim Loughton** (East Worthing and Shoreham) (Con): If she will take steps to reduce the regulatory burden on charitable organisations. [313364]

The Minister of State, Cabinet Office (Angela E. Smith): I refer the hon. Gentleman to the answer that I gave to the hon. Member for Kettering (Mr. Hollobone) a moment ago about how the Government are reducing burdens on charities and the voluntary sector.

Tim Loughton: I recently visited a mental health charity that was getting its funding from 27 different sources and having to fill in 27 audits and 27 accounts of how it was doing its job properly every year. It was having to employ at least one full-time person just to do the paperwork. Surely that is a nonsense and we can streamline that whole system.

Angela E. Smith: We can to an extent, and one thing that we can do is consider having one reporting system for such organisations. However, I do not think for a minute that the hon. Gentleman is suggesting that some

of the independent funding organisations should not give money to such charities. I commend the charity that he has in mind for being so successful in gaining funding from every source. We are looking into the issue of reporting and forms and working with the sector on it.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [313301] **Mr. John Whittingdale** (Maldon and East Chelmsford) (Con): If he will list his official engagements for Wednesday 27 January.

The Leader of the House of Commons (Ms Harriet Harman): I have been asked to reply.

As the House will know, my right hon. Friend the Prime Minister is in Northern Ireland, where talks are ongoing to secure agreement on the devolution of policing and justice powers. The Prime Minister will make a written statement to update the House later and place it in the Library of both Houses.

I am sure the whole House will wish to join me in paying tribute to Rifleman Peter Aldridge from 4th Battalion the Rifles, serving as part of 3 Rifles Battle Group, and acting Lance Corporal Daniel Cooper from 3rd Battalion the Rifles, who have died in Afghanistan. They were both heroes who displayed extraordinary courage, spirit and absolute commitment to the tasks that were before them and their colleagues, who, along with their families and friends, will remember them with great, great pride.

Mr. Whittingdale: May I join the Leader of the House in paying tribute to those who have lost their lives in the service of their country? Is she aware that the compensation paid by the Ministry of Defence to the families of those killed in action is then taken into account when calculating benefit assessments, with the result that some families receive no compensation at all and others are actually left worse off? Will she look at that as a matter of urgency to see what can be done to put it right?

Ms Harman: The Ministry of Defence has been very concerned indeed to ensure that we support those who have been injured in the line of service. The Secretary of State for Defence produced a Command Paper that particularly addressed the issue of support for veterans. There has been a big upgrading of the compensation scheme and a further review of the scheme is under way. The Secretary of State for Defence has been working closely with the Secretary of State for Work and Pensions on this.

Q14. [313315] **Mr. Mark Todd** (South Derbyshire) (Lab): Our economy will rely increasingly on export-oriented manufacturing industries. Toyota, Rolls-Royce, JCB and others employ about a third of the work force in my area in high added-value manufacturing. What can the Government do to improve the performance of our exported-oriented manufacturing sector, to make it more successful in future for the benefit of us all?

Ms Harman: We recognise the importance of manufacturing in South Derbyshire, where between them the aerospace, automotive and railway sectors in the area directly employ more than 32,000 people and account for more than £10.3 billion of economic output. My hon. Friend strongly supports manufacturing in his area, and we have an advanced manufacturing package of support for skills and a manufacturing advisory service. We look forward to strong growth ahead in this sector.

Mr. William Hague (Richmond, Yorks) (Con): We wish the Prime Minister well in his endeavours in Northern Ireland because we all want the devolution of policing and justice to be completed and progress in Northern Ireland to continue.

I join the Leader of the House in paying tribute to Lance Corporal Daniel Cooper and Rifleman Peter Aldridge, who have joined the lengthening list that is read out in the House of members of the armed forces who have died serving this country.

On that subject, we welcome the appointment of a new NATO civilian representative in Afghanistan, and the fact that it is the current British ambassador to Afghanistan, Mark Sedwill, whom we all hold in very high regard. Are the Government confident that his work will be closely co-ordinated with that of the United Nations so that, this time, military gains will be followed by effective reconstruction?

Ms Harman: Indeed, and I thank the right hon. Gentleman for his commendation of that distinguished diplomat. It is precisely to support that work that the conference is to be held in London to look at taking forward issues on Afghanistan. There are 70 countries attending, as well as the UN Secretary-General, Ban Ki-moon.

Mr. Hague: Looking ahead to that conference tomorrow, should we not recall the lessons of the previous Afghan conference in London in 2006, which set dozens of extremely ambitious objectives for Afghanistan, most of which have never been met? Do the Government agree that, this time, the conference should focus on realistic goals that can be delivered, concentrating on improved governance and reintegrating former Taliban members? Will the Government seek regular reviews of the progress made, including at the conference proposed for Kabul in a few months?

Ms Harman: Of course, we are looking to ensure that we play our part so that, in Afghanistan, we have the right military action to tackle terrorism, we support the Afghanisation of the armed forces and the police services and we have economic and political development. I would have thought that the right hon. Gentleman would take the opportunity to support the work that will go on tomorrow instead of simply carping.

Mr. Hague: The right hon. and learned Lady should know the position. Immediately after Question Time, my right hon. Friend the Leader of the Opposition and I will visit President Karzai to push forward exactly the same agenda as the Government, so there is no need to make party political points about that important subject.

Doubtless, President Obama will mention Afghanistan in his State of the Union address tonight, but he is also expected to talk about reforms to the regulation of the

banki..g system. No country was left more exposed to the failure of the banking system than the United Kingdom. President Obama has called for retail banks to be prevented from getting involved in large-scale proprietary trading. Why are the Government not supporting the President's proposals enthusiastically and working with him to realise them?

Ms Harman: We are working very closely internationally, including, of course, with President Obama. The United States has different structures and different problems in its banking system, which the US Government are seeking to address. We have been addressing the problems in our banking system, and it is important that we all work together internationally to ensure that we can deal with the problems that have so affected all our economies.

Mr. Hague: Well, of course it is important to work together internationally, but the Prime Minister said that he did not envisage a

"divide in future between... retail and corporate deposit taking... and investment banking and trading conducted at an international level."

That is the Prime Minister's stated position, which is very different from the President's, and I put it to the Leader of the House that the Prime Minister is probably wrong.

Let me ask about something else for which President Obama has called. There is a clear case for a levy to compensate taxpayers for what happened in the past and what may happen in future. Is it not time to work with the President on agreeing the sort of levy that he proposes and drop the Prime Minister's Tobin tax on transactions, which has been rejected throughout the world and was ridiculed yesterday by the Governor of the Bank of England?

Ms Harman: We have never argued for a one-size-fits-all solution, with every single country taking the same action. We have always agreed that all countries should work together—whether in the G20 or the European Union—to tackle the global economic crisis. We agree with President Obama and just about every other country in the world that we need a fiscal stimulus to support the economy in recovery. The only people who seem to disagree with that are the official Opposition.

Mr. Hague: President Obama has just announced a freeze on spending in the United States and the UK Government have just raised the rate of VAT, which is hardly a fiscal stimulus. The Governor of the Bank of England said that President Obama's proposal is much more serious than the Prime Minister's Tobin tax. In fact, the Governor said that he could not think of anyone internationally who was enthusiastic about the Prime Minister's idea, so let me ask about a third aspect of banking reform.

There is a growing consensus that only central banks have the authority, ability and know-how to maintain proper supervision of the banks. The Prime Minister took that power away from the Bank of England in 1997 and created a system that failed. Given that countries such as the United States and Germany want their central banks to have more responsibility for banking supervision, will the Government now change their policy and adopt that approach?

Ms Harman: Obviously, what America has been doing is dealing with a very fragmented system of regulation, which involved no fewer than eight regulators. We have already rationalised the system of regulation. What is important is that the organisations have the right powers within the right framework, and that is what the Financial Services Bill and other measures are determined to ensure. The Conservatives said they wanted less regulation when they were in government, so it is good to hear that they are supporting firm action to tackle irresponsibility in the markets.

Mr. Hague: It was the Prime Minister in 2007 who trumpeted his record—as he thought of it—of deregulation in the City and said we could look forward to a

"golden age for the City"

from then on. Is it not clear that the Prime Minister was wrong and is wrong now on the system of financial supervision, wrong on the Tobin tax, wrong to build an economy based on debt, and wrong not to back the United States on banking reform? Are not those failures just another part of a miserable record, in which we have the biggest budget deficit in peacetime history, the largest bank bail-out in the world, the deepest recession since the 1930s and the weakest recovery in the G20? Does the right hon. and learned Lady think it is time to back some of the United States' proposals to sort out the banks in future?

Ms Harman: We have helped the economy through the recession and supported the recovery. When the right hon. Gentleman was in government and sitting in the Cabinet, there were double the number of repossessions; when he was in government, there were three times as many bankruptcies; and when he was in government in a recession, there were four times as many job losses. I have to say that his reversing is even worse than mine. We are building up Britain, and the Conservatives are trying to talk it down.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Could the Leader of the House have discussions with her colleagues in the Treasury and the Department for Transport to ensure that we get a decision on the high-speed rail link this side of the general election, and that, when we get that decision, Birmingham and the west midlands get the links they deserve?

Ms Harman: We are very strongly supporting investment in our rail system, which is part of our economic infrastructure, and we will make sure that those decisions, in support of manufacturing and the economy in Birmingham, are reached as soon as possible.

Dr. Vincent Cable (Twickenham) (LD): May I add my condolences for the loss of Lance Corporal Cooper and Rifleman Aldridge?

May I congratulate the Leader of the House on her foresight in establishing the National Equality Panel, which reported today? It helpfully reminds us that after 18 years of Conservative Government, inequality had widened and reached the level described in the report as "shocking". Will she explain why now, after 12 years of Labour Government, income inequalities are the same—still shocking—wealth inequalities in shares and property are worse, and, as we discovered on Monday of this week, child poverty is growing?

Ms Harman: I join the hon. Gentleman in thanking Professor John Hills and his panel for the important report by the National Equality Panel. The hon. Gentleman is right to say that the report states that under the Conservatives—*[Interruption.]* Under the Conservatives, inequality widened, and as a result of the effect of this Government's policies, most particularly on tax and benefit, the growing inequality has been stemmed. We have also tackled poverty, especially child poverty and pensioner poverty, but we think that inequality, which persists and can be handed down the generations, matters for the individual, for opportunity, for the economy and for a more peaceful society, so we are determined to do more to tackle it.

Dr. Cable: Well, the Government may be determined, but the brutal truth is that economic inequality is getting worse. Part of the problem is the failure to reform the unfairness of the tax system. We all understand why Conservative Governments might wish to give top priority to rewarding the wealthy, but why have the Labour Government given overriding priority to cutting the tax rate that wealthy people pay on their capital gains to a lower rate than the tax paid by working people on their earnings, and why have they left wholly unreformed a property tax system under which ordinary families pay the same amount of tax on a modest family house as billionaires pay on their multi-million pound mansions?

Ms Harman: The hon. Gentleman is simply wrong in what he says about the report's findings. It says that over the 13 years that we have been in government the effect of our tax policies, combined with our benefit policies, has been to narrow inequality. We have tackled poverty, in particular pensioner poverty and child poverty. One thing that would not help those on low and modest incomes would be the savage cuts proposed by the hon. Gentleman's party.

John McDonnell (Hayes and Harlington) (Lab): The threat of the third runway at Heathrow continues to blight my community. Although a compensation scheme has been introduced that will protect the homes of some residents, many residents are excluded from it. It also does not cover people such as the local shopkeeper, the hairdresser and the publican who live above their premises and who will lose their homes and their livelihoods. Will the Leader of the House facilitate a meeting between local MPs and Ministers to discuss what compensation can be provided to those people?

Ms Harman: I would certainly be happy to suggest that the Secretary of State for Transport meet my hon. Friend and other hon. Members to discuss these important issues.

Q2. [313302] **Pete Wishart** (Perth and North Perthshire) (SNP): Tens of thousands of people dead, a whole region destabilised, no mythical weapons of mass destruction and this week we learn of the dubious and questionable legality that took us into the war in Iraq. Does not the Leader of the House in her quieter moments and in her heart of hearts believe that her Government led us into this disastrous and immoral war on the back of one of the biggest deceits in political history?

Ms Harman: These matters, which were debated and decided on in this House of Commons, are now the subject of the Chilcot inquiry. It is choosing the evidence to be brought before it and that it requires to be examined. It is independent and I suggest that we thank it for its work and await its report.

Q3. [313303] **Mr. David Chaytor** (Bury, North) (Lab): Last week, Woodhey high school in my constituency was named as one of the country's top performing schools for sustained improvement in GCSE results. That follows £8 million of investment in new facilities. The other schools in Bury, North are awaiting their capital investment. What would be the effect on school standards if the Government's only policy were to cut the deficit further and faster than ever before?

Ms Harman: I agree with my hon. Friend that education is important, not only for every individual to achieve their potential, but to ensure that we have a dynamic economy. I am delighted that Woodhey high school has seen such a big rise in its results, not only last year but in the last three years, and I join him in congratulating the school. Those results are due to the hard work and dedication of the teachers and pupils, but they are also thanks to the extra investment we have put in. We will continue to sustain and support investment in education.

Q4. [313305] **Mr. David Jones** (Clwyd, West) (Con): The Business Secretary once famously remarked that Labour was intensely relaxed about people getting filthy rich. Is the right hon. and learned Lady equally relaxed about how the Prime Minister's predecessor has decided to go about it?

Ms Harman: We have asked the National Equality Panel to look at how we can ensure that we help social mobility and—*[Interruption.]*

Mr. Speaker: Order. I want to hear the answer.

Ms Harman: We are determined to ensure that there is social mobility, and one of the important findings of the NEP report is that more unequal societies have less social mobility, which is why we are determined, with Government action, to continue to support policies that spread fairness and equality.

Q5. [313306] **Mr. Michael Clapham** (Barnsley, West and Penistone) (Lab): Will my right hon. and learned Friend join me in congratulating the Coalfields Regeneration Trust on rebuilding mining communities devastated and broken by the Tory closure programme? Is she aware that the renewal programme in mining communities has been carried out by creating 90,000 places in education and training and rebuilding 2,200 facilities in the communities? Will she urge—

Mr. Speaker: Order. Please get to the end of the sentence.

Mr. Clapham: Will my right hon. and learned Friend urge her colleagues at the Department for Communities and Local Government to—

Mr. Speaker: Order. I think that we have got the thrust of it.

Ms Harman: I will support my hon. Friend's urgings to my colleagues in the Department for Communities and Local Government, and I am delighted to join him in congratulating the Coalfields Regeneration Trust on its first 10 years of operation. I know that he has worked with fellow MPs in former mining constituencies to ensure significant regeneration in these areas, which face such challenges, particularly after the devastation of the Tory years.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Question 6, Mr. Speaker.

Ms Harman *rose—*

Hon. Members: Come on!

Ms Harman: It's all right. It will be worth waiting for—well, perhaps not.

Crown Accession

Q6. [313307] **Dr. Evan Harris** (Oxford, West and Abingdon) (LD): What discussions he had at the Commonwealth Heads of Government meeting in November 2009 on the succession to the Crown of Catholics and women.

Ms Harman: The Government are in contact with other countries of the realm where the Queen is Head of State about updating the rules of succession.

Dr. Harris: The right hon. and learned Lady was right the second time.

In March, the Lord Chancellor himself said that the sort of anti-Catholic and anti-woman provisions at the centre of our constitution have no place in a modern society, and that the Prime Minister was ready to consult Commonwealth Heads of Government. Will the right hon. and learned Lady suggest that he write to them, if he is too busy to consult, so that we can get on with this reform?

Ms Harman: As the Prime Minister has said, people recognise the need for change, but that change can be brought about only by the Prime Minister working with the 16 other countries. The discussions are continuing. We cannot speak for those other countries, but we are sure that progress will be made.

Engagements

Q7. [313308] **Anne Main** (St. Albans) (Con): Before the Prime Minister goes to Her Majesty to ask for the Dissolution of the House, will the Government come before the House and give a statement to Equitable Life victims on when they can expect a fair and reasonable settlement?

Ms Harman: Equitable Life policyholders lost out as a result of mismanagement that went back to the 1980s. There is concern on both sides of the House about that. The hon. Lady knows very well that there has been an ombudsman's report on the matter, that we have apologised for the regulatory failures that caused loss, and that we have set up a system to establish how there should be ex gratia payments. Sir John Chadwick has got this work under way and will be making his interim findings in the spring.

Mr. Chris Mullin (Sunderland, South) (Lab): May I put it to my right hon. and learned Friend that one of the causes of the growth in inequality has been the extension of outsourcing of jobs that were previously done in-house? A class of working people has grown up that no longer qualifies for pensions, sick pay, redundancy pay and all the other things that in the 20th century we used quaintly to associate with civilisation. Is it not time that the Government started to discourage outsourcing?

Ms Harman: The transfer of undertakings regulations were designed to give protection where work was transferred out from direct employment in the public sector to the private sector. However, the Equal Opportunities Commission has documented evidence to show that this has acted as a downward pressure on women's wages and their income in retirement. We are determined to ensure not only that people in public services can give a good service to the public, but that they are fairly treated in employment.

Q8. [313309] **David T.C. Davies** (Monmouth) (Con): Balal Khan was this week sentenced to just three years in an institution for a violent rape. Will the Minister refer that disgraceful sentence to the Attorney-General and also investigate the parents and community, to find out how that young man could have such a complete disregard for women's rights?

Ms Harman: I am sure that the Attorney-General will have drawn to her attention the point that the hon. Gentleman has raised, which will give her the opportunity to consider whether she wants to refer that sentence to the courts.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Today is Holocaust memorial day, 65 years after the liberation of the Auschwitz-Birkenau death camp. Does my right hon. and learned Friend agree that although the evil of the holocaust is unique, its lessons must be applied to the racism and anti-Semitism of today, so that a better society can be enjoyed by everyone?

Ms Harman: I support absolutely what my hon. Friend has said. We in this House regard Holocaust memorial day, which is today, as very important. There will be a debate in the House tomorrow and there is a book of remembrance that can be signed. The work of the Holocaust Educational Trust is very important indeed, but we must also bear in mind the lessons that come out of the holocaust about prejudice, discrimination and anti-Semitism, which we must fight wherever they rear their head in this country.

Q9. [313310] **Mr. David Heath** (Somerton and Frome) (LD): It was revealed last week that a company in my constituency had been selling bomb detectors to the Iraqi Government that do not—indeed, cannot—work. If the Government knew about that, why did they wait until the BBC report last Friday to impose an export ban? If they did not know, why were Government agencies so curiously incurious about $85 million-worth of security equipment being sent from the United Kingdom to a war zone?

Ms Harman: I will ask the Business Secretary to respond to the hon. Gentleman in detail on the important issue he has raised.

Q10. [313311] **Geraldine Smith** (Morecambe and Lunesdale) (Lab): My right hon. and learned Friend will be aware that Royal Mail and the Communication Workers Union are making good progress on modernisation and addressing the industrial relations problems that have bedevilled the industry. Can she now say when the Government will sort out the pensions deficit, which needs to be done as a matter of urgency?

Ms Harman: Like my hon. Friend, the Government are strong supporters of the Royal Mail and want it to have a secure and prosperous future at a time of big change. We are committed to the universal service six days a week and to a post office network. We are also committed to changing the regulations to allow more ability to compete, and we obviously want to ensure that the pension liabilities are secure as well.

Mr. Brooks Newmark (Braintree) (Con): Each year, 1,000 women die from cervical cancer. In Scotland, Wales and Northern Ireland young women can get screening at the age of 20, yet in 2004 the Government sought to increase the age for women in England to get screening to 25. Why do the Government discriminate in that way, and will they consider redressing that injustice?

Ms Harman: We are very concerned indeed to make sure that we prevent, and have early detection for, as many cancers as possible. In that, we ensure that the necessary resources are available but we are guided in the application of those resources by clinical judgments. The hon. Gentleman is no more a scientist than I am; what we have to do is take the best advice and act on it, and make sure that there are the resources to back it. That is why we have trebled investment in the national health service.

Q12. [313313] **Dr. Brian Iddon** (Bolton, South-East) (Lab): We are desperately short of teachers in the STEM subjects—science, technology, engineering and maths—and the situation is likely to get worse as we move again to teaching the sciences separately. What impact does my right hon. and learned Friend expect if we are to recruit only first-class or upper second-class students to teach those subjects?

Ms Harman: I urge my hon. Friend not to worry about that at all, because like so many other Tory policies it will probably be changed by this afternoon. What will be unchanged is our commitment to science, in which my hon. Friend has played a leading role.

Anti-Slavery Day

Q13. [313314] **Mr. Anthony Steen** (Totnes) (Con): If he will make it his policy to support the establishment of an Anti-Slavery Day in the UK to raise awareness of human trafficking.

Ms Harman: The Government are determined to combat human trafficking. We are considering the hon. Gentleman's proposal for the establishment of an awareness day, and will respond to him in due course.

Mr. Steen: We need that day even more now. Before the earthquake in Haiti, many of the 200 orphanages there were actually fronts for child trafficking. Since the earthquake, we have a new problem: 380,000 children at risk. Will the right hon. and learned Lady speak to her international aid contacts this afternoon and establish a network for children at risk, so that they have somewhere safe to be until they can trace their family or until there is time to set up some kind of arrangement to ensure their safety? The traffickers are circling. We need to make sure they do not catch the children.

Ms Harman: I pay tribute to the hon. Gentleman for his work on the issue, which he has consistently and intelligently raised in the House. I agree that there is work to be done by the police and prosecutors internationally. There is also the work of voluntary organisations, which I know he supports, helping to bring the message warning people of the dangers of trafficking, and protecting those victims. I congratulate him on his suggestion. We will look into it.

Point of Order

12.33 pm

Mr. Greg Hands (Hammersmith and Fulham) (Con): On a point of order, Mr. Speaker. I have given prior notification to the Member concerned.

In Communities and Local Government questions yesterday, the hon. Member for Sheffield, Attercliffe (Mr. Betts) put a question with a wholly erroneous set of comments attributed to the leader of my council, Hammersmith and Fulham, including the statement that

"one problem with social housing was that it was hard to get rid of these people".—[*Official Report*, 26 January 2010; Vol. 504, c. 669.]

That comment is entirely false. The leader of the council never said any such thing, so I should be grateful for your guidance, Mr. Speaker, on how we might set the record straight for what is, after all, one of Britain's best-loved and best-run local authorities.

Mr. Speaker: I thank the hon. Gentleman for his attempted point of order, but as he will know, on the strength of his experience in the House, it was not a point of order but a most interesting point of debate, which has now been placed fairly and squarely upon the record.

BILL PRESENTED

School Admissions Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Paul Burstow, supported by Tom Brake, presented a Bill to enable admission authorities to have regard for local authority boundaries and other defined localities when allocating school places; to provide for the appointment of an independent lay majority on local school admission forums; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 12 March, and to be printed (Bill 57).

Young People Leaving Care (Accommodation)

Motion for leave to bring in a Bill (Standing Order No. 23)

12.34 pm

Helen Southworth (Warrington, South) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for minimum standards in respect of accommodation for young people leaving care; to impose a duty on local authorities to ensure that such standards are met; and for connected purposes.

This Government have made considerable progress in the support of vulnerable children and put in place exemplary legislation and regulation to improve the outcomes for those children. The Children and Young Persons Act 2008 established laudable principles and objectives to improve the experience of young people in care, to deliver high-quality corporate parenting, to listen and respond to young people, to bring stability and continuity into every aspect of a child's care, and to create an uncompromising culture of high aspirations.

Those are incredibly laudable objectives, but they need to be underpinned by detail. Indeed, the Act is largely underpinned by extensive regulation, one aspect of which is currently out for consultation. It relates to young people between the ages of 16 and 18 who are in the care of a local authority and who are being placed in accommodation in an unregulated setting—that is, not in a children's home or a foster home. This is the first time that there will have been a definition of suitable accommodation for those young people.

I shall refer to those plans in detail in a moment, in the context of my Bill, which would put in place minimum standards for young people of 18-plus who are leaving the care of a local authority and making the transition to independent living. As we all know, that time of a young person's life involves an awful lot of support needs. They depend on other people to help out when they are trying to take those first steps. They are trying to work out whether a particular course of action is the sensible one, and whether it will take them where they want to go. They are asking themselves, "Where do I want to go?" or, in some cases, "Who do I want to be?" and "How can I take the steps to achieve that?"

At the moment, there is a gap between the laudable aspirations that I have mentioned and the direct experience of people in care and leaving care, and it is our responsibility to sort that out. A young person should not have to try to second-guess the system when they have no experience of these things. They need to be supported in the same way that they would expect to be supported by a caring parent. Such a parent would ask, "Is this accommodation suitable? Is it where you want to be? Where do you want to be? Where do you want to go to school and university? Where do you want to go to college? What do you want to achieve? Have you got a job? How can we support you?" We need to be able to work effectively to provide somewhere safe and secure in which a young person can fulfil their aspirations and do as well as they possibly can. We are not in that situation at the moment.

I have an example of a young woman who got in touch with the Who Cares Trust. She started a job in London, her first job. The work was hard and involved a lot of hours, and she had a lot of things to take into

[Helen Southworth]

account. She needed a lot of help from her foster carers, even though she was at an age when they did not have to provide it. The flat that she had been offered was dirty. She said, "Don't tell me people live in this filth." Her foster carers could not believe it when they went in. It took a whole set of them a week to clean the place up. She said that there was grime, dust and growth on the walls, that the walls had holes in them, that plaster was missing and wallpaper was peeling off, and that there was damp and mould everywhere. She could not believe that she was expected to live in such a place, but it was the only option offered to her.

I recently had a meeting with a group of young people who came to Parliament to tell me about their experiences, along with a group of social workers. The social workers were great people; they were helpful and supportive. They said, however, that young people up to the age of 21 were being supported. One of the girls then asked a question, and it is a question that we need to find an answer to. She asked why, if young people were being supported up to the age of 21, she had been placed in a bed and breakfast with her baby when she was 18.

We talk about the intergenerational problems experienced by vulnerable young people, but we have the ability to help them to break out of them. We must mind the gap. At the moment, young people are telling us that they can be placed in bail hostels alongside people who have problems with drug addiction, or in places where prostitution is actively taking place. These are places where they would never have been allowed to go when they were in the care of a local authority, yet they are being placed in them by the authorities because there are no effective minimum standards.

Some authorities are brilliant—they have worked it out and know how to do it. Some agencies are incredibly effective: the National Care Advisory Service, which works directly with local authorities and young people, has tremendous experience of what works and what can be done well. Crucially, it has involved a considerable number of young people with experience of care in drawing up what they believe should be the minimum standards for accommodation. I have been in several meetings with them and gone through these matters in detail. What I have noticed most is the close correlation between what good local authorities and children with experience of care say is the minimum standard needed, and minimum student accommodation standards drawn up by universities and colleges in consultation with their students. It defies logic that an 18-year-old at a university or college now benefits from extensive, detailed minimum standards on whether accommodation is suitable, but an 18-year-old leaving care does not.

What is provided for an 18-year-old leaving care and going to university or college? During their time at university they have minimum standards, but during the holidays they have nothing. The basic need for standards of the most vulnerable children who go to university or college is unmet. Why must there be standards? If there are standards, the expectation is set. The Bill would define not good practice but what is safe or legal for anybody else. For a house in multiple occupation, a set of legal standards is required. Those standards must be available to our most vulnerable children.

Significantly, I do not have the considerable time necessary to go through the recommendations of the National Care Advisory Service in detail, but young people currently have to make a decision on the hoof, on one choice. Everyone in the House knows that there is a difference between an unfair tenancy agreement and a fair one. There is a difference in terms of safety between somewhere with a lock on the door to which the person [redacted] has the key, and somewhere that does not. W[redacted]d feel comfortable going to sleep in a place where they did not have a lock on the door? Who would feel comfortable going to sleep in a bail hostel without a lock on the door? I have had horrifying discussions with young people about their experiences in bail hostels where they cannot lock the door. That is not good enough, it is not acceptable, it is our responsibility to do something about it, and we have the opportunity to do so.

Currently, regulations are being put together for young people aged 16 to 18. As far as they go they are good, but they do not specify that a young person should have a private room, or that they should be able to secure it. That is not good enough, but it is significantly better than the provision for young people aged over 18. To mind the gap for young people leaving care from the age of 18, we should bring in legislation that is sufficiently robust for them to be able to challenge a poor decision, and to prevent predators moving into the market and exploiting the vulnerability of such young people. Beyond that, it must also be sufficiently robust to ensure that they are secure, safe, able to achieve, and able to grow into who they want to be and should be.

Question put and agreed to.

Ordered,

That Helen Southworth, Derek Twigg, David Cairns, Ms Karen Buck, Ann Coffey, Mr. Kevin Barron, Mrs. Janet Dean, Christine Russell, Mike Hall, Mr. Russell Brown and Annette Brooke present the Bill.

Helen Southworth accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 12 March, and to be printed (Bill 56).

Opposition Day

[3RD ALLOTTED DAY]

Dementia Services

Mr. Speaker: I inform the House that I have selected the amendment in the name of the Prime Minister.

12.45 pm

Mr. Stephen O'Brien (Eddisbury) (Con): I beg to move,

That this House wishes to see the quality of life improve for the 700,000 people in the UK with dementia; pays tribute to their families and carers and all those who campaign and fundraise for dementia charities; is concerned about the findings published in the National Audit Office report on Improving dementia services in England, HC 82, that showed the Government had failed to implement robustly the Dementia Strategy; calls on the Government to publish the report of the Nutrition Action Plan Delivery Board, which was submitted in July 2009, and in particular to respond to the inappropriate tube feeding of those in dementia care; deplores the inappropriate use of anti-psychotic drugs in the care of those with dementia; is concerned that 50,000 elderly people are forced to sell their home every year to pay for their long-term care; is concerned that the effect of the Personal Care at Home Bill will not help those with dementia in residential care; calls on the Government to prioritise research to combat dementia; proposes that the National Institute for Health and Clinical Excellence assess the wider societal value of treatments in its appraisals; and further calls on the Government to adopt a social care insurance model for residential care costs and to recognise dementia within a wider reform of social care.

We have brought this motion before the House because we are deeply anxious about the welfare of the rising number of dementia sufferers and their families, and of every elderly person in the UK who is having to live with the effects of an unreformed social care sector. Let us be clear about the scale of this issue. Of the 8.2 million people who are over 65 and of the 6 million people who use social care, 700,000 people have been diagnosed with dementia in the United Kingdom—and that figure is set to double over the next 30 years. In other words, about one in 10 of all social care users has dementia. In the context of a rapidly increasing awareness generally, the Government have promised much but delivered little to this group of people.

Jeremy Wright (Rugby and Kenilworth) (Con): Does my hon. Friend agree that those figures may not tell the whole story on dementia? He has described the number of people who have been diagnosed with dementia but, as we know, many cases have not yet been diagnosed.

Mr. O'Brien: I am most grateful to my hon. Friend. He is absolutely right to have spotted that I said that 700,000 was the number of people who have been diagnosed with dementia. I did so precisely because of the under-diagnosis that occurs and the cases that will doubtless shortly be diagnosed.

Dr. Nick Palmer (Broxtowe) (Lab): On that point, the Parliamentary Office of Science and Technology says that 700,000 is the current estimate but that in fact only one in three of those people has had a formal diagnosis from a doctor, so the previous intervention was not correct.

Mr. O'Brien: The hon. Gentleman attempts to be more precise, but he will find that 700,000 is the figure for the number of people whose diagnosis has been accepted by all the agencies that need to make calculations and predictions, not least the Government. Some of that diagnosis may not have been done through a formal medical diagnosis, but it has become accepted through the other agencies as the appropriate diagnosis.

Mr. Hugo Swire (East Devon) (Con): Is not this issue of diagnosis the precise point, because one of the things we were promised in the national dementia strategy was better training for general practitioners and earlier diagnosis, and that has not happened? That is why so many people are still not being properly diagnosed.

Mr. O'Brien: I am grateful to my hon. Friend for making that excellent point. He is right and he anticipates one of the issues that I hope to develop a little later in my speech.

There are specific measures that could improve the outlook for people with dementia, and for their families and carers, but it is important to bear in mind the fact that these social care reform issues affect all our fellow citizens who need to access and use social care services. Sufferers of advanced dementia represent some of the most vulnerable older people in our society. As we consider the challenge of meeting their needs, we must pay careful attention to the wider social care reforms that could protect the health and well-being of all elderly people. I hope that we can keep that bigger picture in mind as we debate this matter today.

First, let us consider dementia specifically. There is no masking the truth that dementia is a frightening and debilitating disease that plays havoc with the lives of those who come into contact with it, be they the sufferers of the illness, the families or the carers. The trauma of a diagnosis and the difficulty of coming to terms with the gradual loss of memory is only intensified when patients discover that little co-ordinated support is available for sufferers.

I pay tribute to all those in the third sector—in particular the Alzheimer's Society and the Alzheimer's Research Trust—who have supported sufferers and championed their cause. I also pay tribute to the work of my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) and the all-party group that he founded and chairs, which has been so influential. We should also pay tribute to hard-working elected members of councils across the country and their officials who are working to provide this care at a local level, as well as to all those operating in the local government departments.

I cannot give enough praise to the family members, neighbours and friends who, as informal carers, love and care for vulnerable and elderly people and for those with dementia, who face even greater challenges. We should keep them uppermost in our deliberations and not forget the real human lives that these policy debates represent.

Two weeks ago, the National Audit Office published a broadly critical report on the Government's dementia strategy. Among its many misgivings, it noted that

"there has not yet been a robust approach to implementation"

[Mr. Stephen O'Brien]

of the strategy; that

"it has not been given the levers or urgency normally expected for such a priority";

and that it is clear

"that value for money will remain poor unless these weaknesses are addressed urgently."

Mr. Edward Leigh (Gainsborough) (Con): The National Audit Office reported, of course, to the Public Accounts Committee. We had a very good hearing on this subject in October 2007. I was promised 10 times by Sir David Nicholson, the head of the NHS, that the matter would be a national priority. That commitment was given 10 times. There have been three framework directives since then and it is still not a national priority—it is only a strategy. If my hon. Friend is fortunate enough to become a Minister for Health in May, will he consider making it a national priority?

Mr. O'Brien: I am grateful to the Chairman of the PAC for that intervention and for the work that he has overseen, as well as to the NAO, which has done that work. In answer to his specific question, I am glad to confirm that we have already said that, should that happy occurrence take place, this matter will be a priority. Part of my argument will be to stress how much, if one is going to state—as the Government have—that this is a priority, that needs to be followed through with actions rather than words, including operating frameworks.

The Secretary of State for Health (Andy Burnham): Let us be absolutely clear. Is the hon. Gentleman saying that he would make it a national target or that he would leave it to local discretion? He cannot stand there, make suggestions and posture on this issue without being absolutely clear on that point.

Mr. O'Brien: I hope that the Secretary of State will reflect on the fact that he did not use the word "priority", which was the word that I used. For some reason, he felt compelled to use the word "target", which is always a potential distortion. That was a distortion. My answer is that the issue, as I am about to make clear, concerns how the actions flow from the word "priority", once we have called it that.

Mr. David Blunkett (Sheffield, Brightside) (Lab): I must say to the hon. Gentleman that, as vice-president of the Alzheimer's Society, patron of my city's Alzheimer's group and someone who is contributing to the Alzheimer's Research Trust, I am surprised that he is making this a party political issue. Let me ask him a simple question. The thrust of the Audit Commission's review was that the strategy was good and that the new appointment of the director in charge of this matter will help, but that the £150 million allocated had not reached the parts for which it was intended because of the nature of decentralisation and the lack of ring-fencing. Given the Conservative party's commitment to the new NHS board and to even more decentralisation to professionals from the Secretary of State or politicians in this House, how could the hon. Gentleman possibly determine what a priority would be locally when he could not even determine it nationally?

Mr. O'Brien: I am grateful to the right hon. Gentleman—no doubt he will seek to catch Mr. Speaker's eye later, as that was a speech. Let me return to the intervention that he made at the beginning of it. He clearly needs to recognise that if anybody was making a party political point it was the Secretary of State, who intervened in the most tribal manner, as is fairly typical. The answers to the right hon. Gentleman's questions will, happily, become clear from what I am about to say.

The NAO's report came on the back of a disappointingly vague Green Paper on social care and a personal care pledge by the Prime Minister that the Labour party's own Lord Lipsey has described as a "gimmick".

Let me correct the claim in the Government's amendment that

"the Personal Care at Home Bill will help some 400,000 people".

It is offering free care to only 270,000 people, of whom 160,000 already receive it free. It will take only 2,384 people out of care homes—the stated aim of the policy on the human rights grounds that are critical for its intra vires—from a population of more than 500,000. It will help less than 3 per cent. of social care users. In other words, the Government have not grasped the nettle: we have an ageing population on our hands, cases of dementia are on the rise and time is running out.

By contrast, the Opposition have led the way in recognising that if a Government are to be serious about addressing the needs of dementia sufferers and older people across the country, reforming older people's care services across health and social care in a way that is both socially and fiscally responsible must be a priority. That was precisely the answer that I gave. To cover one of the points mentioned in the intervention by the right hon. Member for Sheffield, Brightside (Mr. Blunkett), which was rapidly developing into a speech, our policies on Alzheimer's research and pooled personal budgets, our proposals to reform the National Institute for Health and Clinical Excellence's drug assessments, our home protection scheme for affordable guaranteed residential care and our commitment to a reinvigorated public health agenda have forced the Government to pick up the pace of reform.

John Mann (Bassetlaw) (Lab): The hon. Gentleman mentioned fiscal responsibility and other matters. Has he had a chance to consider the approach taken by Conservative Nottinghamshire county council? Is he learning from it? The council is privatising dementia care homes, which will mean automatically that the day care service provided for dementia sufferers, which it is also cutting, will be removed in its entirety. What would he say to that county council, which has a budget meeting coming up in a few weeks' time?

Mr. O'Brien: The hon. Gentleman will no doubt have to answer to his right hon. Friend the Member for Sheffield, Brightside for introducing a party political element in his intervention. Clearly, what matters is that we should recognise that local services reflect the national priorities that have been set. If a national priority is for a dementia strategy delivered through actions on the ground rather than words, no doubt that would be more persuasive to a local council as it reached its decisions.

The National Audit Office raised four main criticisms of the dementia strategy. First, will the Secretary of State make clear just how much of the £60 million of

dementia strategy funding for 2010-11 will be spent on additional dementia services? Does he have any plans to undertake a baseline assessment to see from what starting point those services are being run? We need only look at the recent carers strategy to see how urgently this assessment is needed. It emerged before Christmas that the £50 million disbursed for emergency respite care this year never reached the front line; instead it got soaked up in local primary care trust bureaucracy. Not only does that leave dementia sufferers with little hope of benefiting from resources, but it seems particularly disingenuous for the Government to take the plaudits for pledging taxpayers' money without the funds ever reaching the front line.

On the second criticism, will the Secretary of State tell the House what the source of funding is for meeting the £1.9 billion cost of implementing the strategy over its 10-year lifespan? To date, the Government's impact assessment has identified only £533 million of efficiency savings over 10 years, which leaves nearly three quarters—

John Mann: Will the hon. Gentleman give way?

Mr. O'Brien: I shall make progress, I think, as I have already answered the hon. Gentleman.

To date, the Government's impact assessment has identified only £533 million of efficiency savings over 10 years, which leaves nearly three quarters of the budget unaccounted for. Does the Secretary of State agree that those diagnosed with dementia today need to know that there is a safety net of funding for their care and treatment as they face the years ahead?

Thirdly, the Government have yet to tackle the gaping hole in the skill set of all professionals who encounter dementia patients as part of their job. The £1.9 billion dementia strategy budget covers diagnosis and early intervention in people's homes, but the NAO report points out that no estimate has been given for the cost of the pledges that the strategy makes for the training of NHS and social care staff.

Fourthly, can the Minister explain why dementia was not included in the Department of Health's fixed national and local spending priorities—Vital Signs—in 2007? That serious omission—

Andy Burnham: Will the hon. Gentleman give way again?

Mr. O'Brien: Perhaps I can make sure that the Secretary of State knows the point that he has to answer: why was dementia not included in the Department's fixed national and local spending priorities, Vital Signs, in 2007? The vital point is that that serious omission took place only a month after the Department had asserted in a statement to the PAC that dementia was a national priority. Is dementia really a priority?

Andy Burnham: The hon. Gentleman says that he believes in local decision making in the NHS. Is he saying, at the Dispatch Box today, that he would make dementia a mandatory national requirement in tier 1 of Vital Signs? Yes or no?

Mr. O'Brien: The answer to that is, of course, no. That is because Vital Signs is the Secretary of State's target system, and it has been discredited for distorting health provision. The precise point of this debate is that the Government are not delivering the results on the ground, even when they come out with something called a dementia strategy.

Robert Key (Salisbury) (Con) *rose—*

Mr. Swire *rose—*

Mr. O'Brien: I give way.

Mr. Speaker: Order. May I say to the hon. Gentleman that it is helpful to me and the House to know to whom he is giving way? Is it the hon. Member for Salisbury (Robert Key) or the hon. Member for East Devon (Mr. Swire)?

Mr. O'Brien: Thank you, Mr. Speaker. I give way to my hon. Friend the Member for East Devon (Mr. Swire).

Mr. Speaker: I am grateful. Mr. Hugo Swire.

Mr. Swire: I am most grateful, Mr. Speaker. Does my hon. Friend agree that it is important that PCTs see dementia as a priority? In the NAO report on the NHS operating framework for 2010-2011, the office's director of health value for money, Karen Taylor, said that trusts would concentrate on other issues if they were not made to focus on dementia. Is not that a fundamental flaw of the present Government's strategy?

Mr. O'Brien: That is precisely the problem that arises when something is called a priority but is not then backed by action. It is why we have the motion before us today. Most importantly, we already have the evidence of what happened with the national carers' strategy, given that the Princess Royal Trust has said that it could not find out where the £50 million for this year had gone.

Robert Key: The collective amnesia of Health Ministers is remarkable. My hon. Friend will remember that about a year ago my distinguished constituent Sir Terry Pratchett led a delegation to No. 10 on behalf of the Alzheimer's Research Trust. We met the Prime Minister and the Minister of State, the hon. Member for Corby (Phil Hope), who is in his place. The Prime Minister, the Minister of State and the good and the great of the dementia strategy who were present said that the Government recognised that this was a finite, predictable problem that they would address. They have not done so. They have failed to get the money to where it is needed, whether that is training people in hospitals to cope with dementia patients in there for other reasons, or helping the voluntary sector to provide vital services.

Mr. O'Brien: I am grateful to my hon. Friend, who has always taken a keen interest in this important area. He is right to remind us about the visit of Sir Terry Pratchett, not least because that followed his address to the Conservative party conference's main hall debate about dementia and how we must care for our elderly population. We were very pleased to see that that had been followed through with an invitation to 10 Downing street. Indeed, we wish to see the earnest of what was discussed there translated into action.

Jeremy Wright: The Secretary of State asked my hon. Friend whether dementia should be part of the NHS tier 1 priorities. Does he agree that that was an odd question, given that dementia does not feature specifically in any of the Government's tier 1, 2 or 3 priorities?

Mr. O'Brien: My hon. Friend is an expert in this subject and fully understands the difficulty that that entails. Most importantly, he recognises the priorities going forward. If we were to be given the chance to do so, we would look very carefully at the preventive agenda under the public health budgets. We would also ensure that the priorities are given to the NHS board, thus avoiding the target-based strategy that the Government have manifestly failed to deliver.

Mr. Blunkett: Will the hon. Gentleman give way?

Mr. O'Brien: With respect, the right hon. Gentleman, who intervened earlier, should wait until I have made more progress. I will give way to him later.

The most important thing is to recognise that, in addition to the four criticisms that I outlined earlier, the Government have also made an announcement about memory clinics. I hope that the Secretary of State will tell us what is going on with the memory clinics that were promised in every town. How many towns does he think that there are in England, and how many currently have such clinics?

Despite reams of questions from me and other Opposition Members—

John Mann: Will the hon. Gentleman give way on that?

Mr. O'Brien: It is interesting that the hon. Gentleman seems to have a question about every single point that I am making. I shall come back to him, if I may, after I have made sure that the Secretary of State is aware of what I am saying. Despite questions from Opposition Members on the budget for memory clinics and the number of staff expected to be employed to deliver them, the Government could only answer:

"Decisions about the nature, number and funding of the memory clinics will be made locally by primary care trusts, depending on local circumstances." [*Official Report*, 23 February 2009; Vol. 488, c. 202W.]

What sort of a promise is that? The question for the Secretary of State today remains this: what is the precise number of planned and existing memory clinics and how many specially trained staff are there in the country?

John Mann: I thank the hon. Gentleman for giving way. I discussed memory clinics, among other issues, with my PCT last week. Nottinghamshire's Tory county council has privatised care homes in my constituency and elsewhere, with the result that day care services will go, among them day care memory clinics. Does he agree with that approach? Is it what we will see should he ever be in power, or would he adopt a different approach? We want to know.

Mr. O'Brien: I note that the hon. Gentleman did not answer his own question about whether there were any memory clinics in his constituency's towns. It is vital that he applies that scrutiny to his Government's policies. This debate is taking place because the Government have to be held to account.

Angela Browning (Tiverton and Honiton) (Con): I am a member of the PAC, and we took evidence on this issue on Monday. However, another issue arose that cannot wait—the appointment of dementia champions. We asked the civil servants before us how many of them there were, and where. They could not answer, although I believe that they will respond in writing to my hon. Friend the Member for Gainsborough (Mr. Leigh). The practical implementation of many aspects of the strategy does not need to wait and the Government can get on with that. Having dementia champions in PCTs and hospitals saves money and introduces the efficiency savings needed to implement the strategy.

Mr. O'Brien: I am grateful to my hon. Friend for that excellent point. It is an example of how we need to make sure that people at the front line get actions rather than words.

It seems that the Government have got into a habit of making unfunded pledges of late. Not only was their dementia strategy riddled with spending loopholes, but the Minister's announcement last week of safeguarding vulnerable adults boards for every local area was equally vague about where the resources to implement the boards would come from. He made no mention of how the boards would co-ordinate with the dementia strategy, despite dementia sufferers being some of the most vulnerable people in our communities.

I hope that the Secretary of State will take this opportunity to explain why he claimed in a statement last week to be implementing a system of registration for home care workers with the General Social Care Council, when the GSCC has informed some of its stakeholders that plans for the system are actually on hold. Clearly, the Secretary of State is too busy trying to bolster his party's manifesto to worry about making sure that these ambiguous claims are given the necessary detail, and the action points that have been highlighted.

Last week, we uncovered figures on malnourishment in our hospitals. The problem has not been dealt with, despite repeated pledges from Ministers. Evidence shows that it is the elderly who are most at risk from malnourishment in hospital, as they are often unable to express their needs to nurses. Over the last three years, I have been hammering away at this outrageous and scandalous issue. We need only look at the new year press coverage of the widespread unnecessary tube-feeding of the elderly in care homes—particularly those with Alzheimer's—to see the harm that can be done to patients if the caring professions are under-equipped to meet the demands of dementia, both in terms of training and resources.

John Mann: Will the hon. Gentleman give way on that point?

Mr. O'Brien: No, I will not give way to the hon. Gentleman any more. He is clearly rather excited.

The Royal College of Physicians undertook a review of tube feeding and deplored the practice as "completely unethical". That the Government is content to let the elderly and Alzheimer's sufferers be subjected to such appalling treatment as a result of overworked and under-trained care home staff is simply unacceptable. The Government have been sitting on the report of the nutrition action plan delivery board since July last year. I am glad that the amendment states that it will be published "shortly". Given that it is six months overdue, I hope that the Minister will undertake to publish it tomorrow.

If the unnecessary tube-feeding of the elderly was not enough of a wake-up call for the Secretary of State, in November, the Government published a report overdue by 10 months on the inappropriate use of anti-psychotic drugs to treat dementia patients. Such drugs have a number of serious side effects that pose a particular risk to the elderly. They make patients unsteady and increase the risk of falls, they cause individuals to become socially withdrawn and they can accelerate cognitive decline, exacerbating the effects of dementia. Can the Secretary of State tell us what, if any, action has been taken as a result of the report? After three months, and after an initial delay of a year, all that the Government have done is appoint a national clinical director this week, although that is a welcome move.

It is a sobering thought that the suffering of millions could be prevented if we found a cure for dementia. That might or might not be possible in future, but today anything that can be done to slow the onset of the disease is to be encouraged and welcomed. The Opposition believe that the Government should not resign themselves to the status quo but press ahead in support of research into new treatments for Alzheimer's, which is why we pledged in 2007 to increase the proportion of research budgets for work on dementia. Our policy has put Ministers under pressure to focus the Government's attention on dementia, and I was pleased see that in November, a new ministerial group was launched to support dementia research and to help increase the proportion of the Government's £1 billion research budget that is assigned to dementia research.

Hon. Members will be aware of the concerns recently expressed by third sector groups that the Personal Care at Home Bill will hit those research budgets very hard. I have secured a categorical commitment from Ministers that that will not be the case, but until the details of where the money is coming from for the Bill are completely disclosed, inevitably the third sector will continue to raise those concerns. Will the Secretary of State undertake to place in the Library detailed accounts to show where the money is coming from?

Chris Ruane (Vale of Clwyd) (Lab): On where the money is coming from, the hon. Gentleman will be aware that the health budget has risen from £32 billion to more than £100 billion over the past 13 years. Dementia services are an important issue, so can he guarantee the funding that will be available if he is fortunate enough to become a Health Minister in May or June this year?

Mr. O'Brien: It would be very nice if the Government would match our promise and say that there will be real-terms increases to the NHS budget going forward. It is an interesting point to be made by someone from Wales, which is a devolved region. My constituency borders Wales, and my constituents are aware of the differences between health services in Wales and services in England.

Investing in high-quality research is a vital step towards discovering new and better dementia treatments. However, making drugs available to the wider population, to people who have just received a diagnosis of dementia, and to people with advanced dementia already in need of full-time care, is an altogether different challenge. Uniquely, we have pledged to change the remit of the National Institute for Health and Clinical Excellence to include a calculation of the wider societal costs of a given treatment when undertaking NICE appraisals. It is clear that dementia, as with other diseases, has an impact on local authority budgets and on public spending as a whole. Along with our commitments to value-based pricing, and to streamlining the NICE process, that will pave the way for dementia sufferers to access better drugs.

We need to offer those who are faced with a diagnosis today, and those for whom a cure may not be found for a number of years, the chance to guarantee their care needs so that they can be reassured that whatever the impact of dementia on their lives and their loved ones, they will be able to access residential care should they ever require it. I have explained to the House before the merits of our home protection scheme, and the careful calculations behind what we have promised. It was designed precisely to meet those concerns and allay the fears first raised by Tony Blair 13 years ago about a need that has remained unmet over a period of Labour government. People can now look forward to a Conservative Government delivering a well-designed scheme that deals with people's fear of going into residential care. We need to look at the context of social reform—

Andy Burnham: Will the hon. Gentleman give way?

Mr. O'Brien: Of course. Perhaps the Secretary of State can answer the same question.

Andy Burnham: If that is the hon. Gentleman's big idea, can he explain how that will possibly help people who want to live at home with their family in the community, and not receive care in a care home?

Mr. O'Brien: The Secretary of State knows that that intervention was completely unnecessary, because it has never been claimed that it would help people to stay in their home. The idea is to meet the fears of people who have to go into residential care, by making it affordable and so that we do not discriminate against those who cannot afford it. It would not have the perverse incentive that he suggested, because of the national assessment criteria on care needs. The Prime Minister's knee-jerk reaction in the Personal Care at Home Bill did nothing to address that issue, and deliberately discriminates against people who need residential care. Doubtless that will be debated in the other place on 1 February.

Mr. Swire: What my hon. Friend says about the proposal is interesting, because in my constituency of East Devon, we are dealing with the case of Mr. Mejor, a former Spitfire pilot, which has attracted national attention. His care is being reassessed at the moment. His daughter is his carer and he has an elderly wife, but they may have to forfeit their home. Such isolated cases are becoming increasingly prevalent around the country, but they could be avoided if we adopted Tory policies. *[Interruption.]*

Mr. O'Brien: I am grateful to my hon. Friend.

Angela Browning: On a point of order, Mr. Speaker. Is it in order for a Minister from a sedentary position to accuse my hon. Friend the Member for East Devon (Mr. Swire) of being ignorant? Is that appropriate behaviour for Ministers in the House?

Mr. Speaker: On the whole, I have good hearing. I must admit that I did not hear that remark.

Mr. Swire: I did hear it.

Mr. Speaker: Order. I am grateful to the hon. Gentleman. I was not disputing the word of the hon. Member for Tiverton and Honiton (Angela Browning)—I was simply making the point that I did not hear it. What I would say—and I am grateful to her for her point of order—is that it would be a good thing if the House settled down. I know that this is a highly charged matter on which strongly held views are being expressed, but that must be done in a seemly way that will command the respect of the country.

Mr. O'Brien: It is indeed a serious subject, Mr. Speaker. I am grateful to my hon. Friend the Member for East Devon for raising a case that has become widely known. Our reforms would enable his constituent to be better served and to receive the care appropriate for his needs.

To summarise, the issue of how we provide sustainable and affordable options for residential care is part of a wider debate on social care reform. The Government have played fast and loose with the challenge of reforming social services. Despite promises made in 1997, they ignored their own royal commission and, indeed, the whole problem, until 2008. We have had a vague Green Paper following an even vaguer consultation which has, in Lord Lipsey's words, been blown out of the water by the Prime Minister's announcement of free personal care late last year.

Having rushed the Personal Care at Home Bill through the House, the Government have still not given any assurances on the costings of the Bill, or its robustness in the face of a potential legal challenge under the Human Rights Act 1998. Nor will the Bill help any of the significant number of dementia sufferers already in care homes. With the Secretary of State keen to make the Bill a top-three issue in Labour's election campaign, the House would do well to acknowledge the fact that dementia sufferers and, indeed, all older people with care needs, deserve more than political posturing on something that has not yet been properly costed.

I hope that the Government will treat today's debate as an opportunity to discuss how we can work together to ensure that the public reap the benefits of the dementia strategy through action on the ground, and to reflect on how we build on the strategy to meet the demands that dementia will inevitably make on our health service in the coming years. We need such action, rather than words, and the Government must act quickly. It is time for Government to step up to the challenge posed not only by this devastating disease but by an unreformed social care sector, not with words or another vacant pledge, but with action at the grass roots of the NHS and social services and a concerted leadership effort at the helm of Government. A national care service does not simply come about or, indeed, become a national service simply by our using those words. It is important that the Government answer serious questions about provision, portability and, not least, who will pay. We are not just talking about the prioritisation and allocation of funding within the health budget. We are talking about supporting the work that funding enables: offering tailor-made training to staff at the front line; researching a cure; ensuring that the public have easy access to the best drugs on the market; and enabling all older people, no matter what their care needs, to guarantee their residential care in old age. All that will greatly enhance the quality of life for those diagnosed with dementia and for all elderly people seeking dignity and security in old age.

Mr. Lindsay Hoyle (Chorley) (Lab): I thank the hon. Gentleman for giving way. He is extremely generous. Does he also believe in the establishment of memory centres?

Mr. O'Brien: The Government announced the establishment of memory clinics, rather than memory centres, in every town. That has been amended, on occasion, to memory services. Clearly, what matters is not the building, but the training and the skills of the people offering all the NHS and care services, who need upskilling so that those services are better known by all who come into contact with patients. That will enable them to deal with many who remain undiagnosed, which was one of the earliest points made in the debate.

The issue of dementia and the challenge posed by our ageing population cry out for leadership. It is one of the greatest and completely known and predictable challenges for our political generation. I urge all Members across the House to come together on the issue and to make the difference for some of the most deserving and vulnerable people by supporting the motion.

John Mann: On a point of order, Mr. Speaker. When the House adopted the Nolan principles and rules, which it did by resolution, there were two specific requirements on hon. Members, were they to receive finances or other assistance from outside bodies. The first was that the interest should be registered, which is signified by the letter R by convention and has been done in a fairly widespread way. The second is more important.

The second Nolan rule adopted by the House, as I recall, is that for 12 months after receiving such money, the Member is not able to initiate any legislation whatsoever that impacts directly or indirectly on the donor of that money. It is my understanding that a company called Care UK donated £21,000 to one of the signatories to the motion. If that were the case, can you confirm that it would not be in order for the motion to go forward?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. I will respond as follows, and I hope this is helpful to the House.

First, of course, responsibility for the registration of interests rests with individual Members. Secondly—I listened very carefully to what the hon. Gentleman said—if any Member has anxieties or is discontented about the conduct of another Member, the Member who is dissatisfied should complain to the Parliamentary Commissioner for Standards. At this very tense and competitive time, I should hope that Members would not air these matters on the Floor of the House when they are matters not for the Chair, but for the Registrar of Members' Interests and the Parliamentary Commissioner for Standards.

If Mr. O'Brien wishes to respond to the point of order, he is welcome to do so, but he is not under any obligation to do so.

Mr. O'Brien: I am happy, Mr. Speaker, to take the opportunity to say that that is an extraordinary thing to be raised as a point of order, as you somewhat indicated. I can assure you, and through you the House, that any money that has been received by the office of any right hon. or hon. Member, particularly in opposition, to support their parliamentary work and particularly in relation to research, has been fully, openly and transparently declared at all times with the Electoral Commission and with the Registrar of Members' Interests, on time and in proper conformity with all the rules, and that no possible conflict of interest could arise.

Mr. Speaker: I am very grateful to the hon. Gentleman. The point of order has been raised. The response has been made. I hope that if it is pursued, it will be pursued elsewhere.

Before we proceed, I should like to say that the hon. Member for Eddisbury (Mr. O'Brien) gave way generously in the course of his contribution. I am sure that was appreciated by the House. This is an Opposition day. There is another debate to follow. Several Back-Bench Members wish to speak in this debate, and I hope that further Front-Bench contributions will be tailored accordingly.

1.23 pm

The Secretary of State for Health (Andy Burnham): I beg to move an amendment, to leave out from "charities" to the end of the Question and add:

"welcomes the Dementia Strategy launched in 2009 which contains a programme of work to transform services for those with dementia over five years and is backed by funding of £150 million over two years; notes that the Government will shortly publish the report of the Nutrition Action Plan Delivery Board; rejects the use of tube feeding on any grounds other than clinical need; welcomes the independent clinical review of anti-psychotic drugs which contains recommendations for the reduction in the use of these drugs for people with dementia; further welcomes the appointment of a National Clinical Director for dementia to promote better care and provide leadership for the implementation of the strategy; welcomes the creation of a ministerial group to develop dementia research; recognises that the enactment of the Personal Care at Home Bill will help some 400,000 people with the highest need; supports the Government's proposals to create the National Care Service, the first national, universal, entitlement-based system for care and support in England; and acknowledges that the Government's Dignity in Care campaign is working to engage local people in a social movement and to put dignity of those in care at the heart of services."

It is hugely encouraging that today the House is again debating the care and support that we provide to older people, particularly those with dementia. Let me start on an uncharacteristically non-partisan note by congratulating the Opposition on calling today's debate. This is the third occasion since the publication of our Green Paper that we have debated these issues. Since then, we have also passed the Personal Care at Home Bill.

In its long history, the House has never given such focused attention to this subject, which in time will touch the lives of all our constituents and arouses such raw feelings among those families most affected. When I introduced the Green Paper to the House, I said that we wanted to build an unstoppable momentum for reform of social care in England. It is beginning to feel that we are now getting close to achieving that momentum, but we need to do more. As the hon. Member for Eddisbury (Mr. O'Brien) said, we must build confidence among patients and carers groups, which have done such wonderful work in raising awareness of these issues while the political spotlight was elsewhere, that this time we are serious about change.

In these debates, I have often used general national figures to illustrate the challenge and the nature of the ageing population. Today, I want to share with the House some stark figures presented to a meeting that I attended in Wigan last week. This local presentation of figures puts things in a sharper focus. In the Wigan borough today, 49,700 people are aged 65 and over, and 5,200 people are aged 85 and over. In just 15 years, those figures will have increased to 63,900 and 9,300 respectively. Twenty years from now, there will be 75,500 over-65s and 11,900 over-85s.

If we leave the current unfair system to cope with demographic change in my constituency in the Wigan borough, it would have three social consequences. First, more older people in Leigh would be living in a more vulnerable condition with their personal care needs not being adequately met, placing a strain on other public services, particularly the local NHS. Secondly, a generation of older people in Leigh who, as in many former mining areas, are the very first in their families ever to own their properties outright, would be asked to draw on those assets to pay for care in old age, with the most unfortunate standing to lose all they have worked for. Thirdly, more people in Leigh would have to act as informal carers under even more strain as public support is spread more thinly, and would face an ever bigger battle to get help from the support system.

Mr. Hoyle: I understand my right hon. Friend's commitment to his constituency, Leigh, and his use of statistics from there. Will he drop over the border and visit the important constituency of Chorley in Lancashire to see the need for a memory clinic there and the benefit that it would bring Chorley and its constituents? Will he come early and support that?

Andy Burnham: Chorley is just over the border and I would be happy to do that. Across the north-west we have seen real demographic change and a break with the past. In many communities in the north-west, people of the older generation were living in social or council housing. Today we have a generation of pensioners who have worked for and own their homes outright. It is my argument that if we leave the system unreformed, the unfairness felt by that generation will be far greater than anything we have seen so far. That is a key part of my argument for change. I would be happy to talk to my hon. Friend's constituents about how they see the issue and how it would affect them if we failed to act this time.

Bob Spink (Castle Point) (Ind): May I raise a pragmatic point with the Secretary of State? Does he agree that people who need adaptations such as showers or stair lifts in order to continue to live in their own homes with dignity and independence should be able to get those without having to wait for months and sometimes even years? Can we address that point? By spending just a little money, we would save much greater sums in the longer term and give those people dignity.

Andy Burnham: The hon. Gentleman raises an important point. We have all probably seen in our constituencies how the disabled facilities grant has been stretched and

[Andy Burnham]

has had to go round an ever-increasing number of people. In a constituency like mine, where there are lots of traditional old terraced properties, those properties need adaptations if they are to be made fit for purpose to enable people to get around. He is helping me to make my point. I am prepared to say that more money should come from my budget to invest in those homes to give people the support that they need. If we do not make that investment, the end result will be the national health service seeing those people in the accident and emergency department because they are not being adequately helped at home. That is the argument that I am advancing with some passion.

Bob Spink *rose—*

Andy Burnham: I give way to the hon. Gentleman again, albeit briefly.

Bob Spink: Will the Secretary of State confirm that councils can add their own money to the disabled facilities grant, if they wish? They should not just hide behind the Government grant.

Andy Burnham: That is true, and we need a different approach, whereby all public bodies come together and think about prevention and the promotion of independent living in the home and the community. The hon. Gentleman is absolutely right to make that call.

John Mann: All public bodies should come together. Will my right hon. Friend comment on Tory-run Nottinghamshire county council, which, in its budget next month, proposes to cut 20 occupational therapy posts? They are precisely the people who need to make the disabled facilities grant assessment, which is a statutory requirement of councils, and, should the council's cut succeed, it will automatically lead to more delays in my constituency.

Andy Burnham: Given that my hon. Friend has been determined to raise that issue three times, somebody ought to comment on the situation in Nottinghamshire. The Opposition studiously avoided it. Conservatives councils, by their actions, do something very different from the fine words that we heard delivered at the Opposition Dispatch Box not only in my hon. Friend's constituency; they do something very different locally, and we should inform people of what is going on there.

Mr. Swire: Most of us in the Chamber are signed up to the idea of independent living, whereby people should be allowed to stay in their own home if they want to, for as long as possible, but does the Secretary of State not agree that there is an inherent danger in that? Care packages become critical for those people, and they should receive a holistic care package so that they do not become isolated in their own homes, which can and does happen.

Andy Burnham: I agree with the hon. Gentleman, who makes a very important point. It would not be right for people to live in their homes without the necessary support, or when they were too vulnerable to do so, but he seems to be making the argument that I made to the hon. Member for Eddisbury (Mr. O'Brien) a moment ago. I said that we should introduce public support to help people live independently, because that is what they want, whereas the hon. Gentleman said that the right policy response was to cover costs for people going into residential care. I fear that that policy, which he and his colleagues have advanced, would create an incentive to push older people too early into care establishments and not give them the support to cope at home. Once care is free in a home but not in the community, it must create an incentive for people to enter care prematurely.

Mr. Swire: None of us wants people entering care prematurely, but the Secretary of State needs to distinguish between those who are elderly and those who have some form of dementia, because if they do not have carers who can care for them at home, by definition they will be driven into residential care at some point.

Andy Burnham: We do make that distinction, and we do distinguish people's needs in the care system. I agree with the hon. Gentleman; I do not wish to disagree with him on that point.

Mrs. Madeleine Moon (Bridgend) (Lab): Does my right hon. Friend agree that there is a huge risk in labelling people with dementia as unable to cope at home? In our desperate desire to protect older people, it is possible to say that because someone has dementia and diminished capacities, they lack the right to make sound decisions for themselves. It is our responsibility, as far as we are able, however, to tailor our care packages to enable people to remain at home. We should not take the decision to remove a person's right to make that decision for themselves. *[Interruption.]*

Andy Burnham: My hon. Friend makes a point of fundamental importance, and Opposition Members would do well not to mutter and chunter about it, but to think about it for a moment. As we face demographic change, we need to rethink our ideas about ageing and the quality of life that we give to people, and our preconceived prejudices about what it means for somebody to develop dementia in later life. That is why the Government's policy focuses on supporting people at an early stage and giving them that support so that they can maintain independence. Alongside that, we want to ensure that we work to change public attitudes to dementia and the lives that people can lead. I shall return to that point.

I was describing the situation in Leigh and the social consequences that I predict from a failure to act to reform our social care system. There is a depressing prospect if we fail to face up to the scale of demographic change. Reform of our care and support system is long overdue. One good thing that could come out of the debate would be a commitment from all parties to introduce a reform Bill in the next Parliament. That would instil confidence in those voluntary groups in our communities which have long called for reform. I hope that the other parties will be able to make that commitment today.

People with dementia would be some of the biggest beneficiaries of a fundamental overhaul of the system, but in advance of any reform we have been working hard to improve our understanding of dementia so that we can start immediately on improving services for people suffering with the disease and for their carers. Almost one year ago we published the first ever national dementia strategy, and since then we have been working

to give it life—to bring dementia out of the shadows, raise awareness and set in train a system-wide process of change and reform.

We now have an implementation plan, setting priority areas for health and social care in order to take urgent action and guide the process nationally and regionally. Regional baseline reviews were completed in the autumn, paving the way for detailed joint local dementia action plans to be delivered by March, and we have a strong governance structure, pushing forward changes throughout the system. Building on unprecedented levels of grant increases since 1997, we have allocated to primary care trusts £150 million—in excess of the impact assessment figures—to support that work and make the strategy happen; and, as changes to services must be locally driven, we have given PCTs the freedom to determine their spending based on local needs. We believe that that is the right approach.

Jeremy Wright: The right hon. Gentleman has dealt with the point about why he decided not to ring-fence that money, but will he deal with why he did not ask PCTs to report back on how they had spent that money, so that we could at least have ascertained whether they had spent it on what the Government had expected them to spend it on? The Government have not asked PCTs to report back on the strategy under discussion, and that is unlike what was done for the national end-of-life strategy.

Andy Burnham: That is a fair question, and we are conducting a spending audit, which will produce a report. I shall be happy to share with the hon. Gentleman the response from that exercise.

Mr. Blunkett: I was very pleased to be in Leigh on Saturday, but I was not able to examine the services there, because I was at my right hon. Friend's 40th birthday party. Will he join me in thanking the Alzheimer's Society's chief executive, Neil Hunt, who is stepping down, for his work on raising the profile of Alzheimer's and for his contribution to the strategy? Will my right hon. Friend also confirm that the Opposition's criticisms of the actions of PCTs would be greatly exacerbated if the Secretary of State had no powers in that area, and if the Department of Health gave away its powers to a national health service board, remaining in charge only of public health?

Andy Burnham: I am grateful to my right hon. Friend for that comment, and it was wonderful to have him in Leigh on Saturday—even if he has now raised with the whole House the question of my own social care needs and mortality. He makes a very important point, and we will all want to pay tribute to Neil Hunt for his work on raising awareness of the truly devastating effects of Alzheimer's not just on the individual who develops it, but on the extended family who watch that terrible process unfold.

My right hon. Friend, who is quite right to praise Mr. Hunt, makes a very important point that is starting to run through the debate. We regularly hear from the shadow Health Secretary and Opposition Members a critique of ministerial diktat. They say that everything that we have done over the past decade is flawed; that we are micro-managers; that we do not let people get on with the job; and that we set too many targets. The whole thrust of the hon. Gentleman's deputy's remarks was to query why we are not doing more of that. When I asked the hon. Member for Eddisbury whether he would do more of it by setting national requirements, he said no. I rather lost the thread of his speech at that moment. It was easy for him to posture to his hon. Friend the Member for Gainsborough (Mr. Leigh), the Chair of the Public Accounts Committee, but when it came to the crunch he did not have any answers at all.

Mrs. Moon: Does my right hon. Friend agree that one of the greatest steps that this Government have taken to improve the quality of care for those with dementia is the setting of national care standards under the Care Standards Act 2000, and that the requirement to focus constantly on the training and quality of staff and the quality of care has been a huge step forward that was totally missing from 1995 to 1997, when I was involved in domiciliary care provision for people with dementia?

Andy Burnham: My hon. Friend is absolutely right. The 2000 Act was groundbreaking. It was bitterly opposed by some, if not all, Conservative Members, but it was much needed. It changed what had been a fairly unregulated system into a system where clear standards were required. We have built on that change year on year. As she will know, we will soon require all providers of health and social care to be registered with the Care Quality Commission. This continuous drive for the improvement of quality and safety in the provision of all health and social care continues, and I am grateful for her support.

On the national dementia strategy and the steps that we have taken to ensure that we see progress on the ground, improving services for people with dementia is highly complex, but as we reach the end of the first year of this five-year strategy, progress in planning is beginning to show improvements in practice. Let us take Croydon memory service, where people have doubled the number of dementia assessments and helped to overcome the stigma attached to the disease. Assessments at the service are carried out with the patient and the carer in their home to help to maintain their independence and quality of life. Or let us look at Wakefield, where staff are working to reach as many people as possible, as early as possible when they become ill, again trying to support them in their own homes. They are bringing together social workers, district nurses and community mental health staff to create the kind of strong, close teams that make all the difference to patients and their families who need that professional support. We want to see more of those services across the country. That is the answer to the point that the hon. Member for Eddisbury made about memory services. Forty demonstrator sites have been set up around the country to look at how dementia advisers and peer support networks can help families to get the support they need.

We are also working hard to raise awareness of dementia—this addresses the point made by my hon. Friend the Member for Bridgend (Mrs. Moon)—and we will launch a public awareness campaign in March. That will be focused not only on reducing the stigma that comes with dementia and improving understanding of dementia but on encouraging people to seek help and information if they see the early signs of the disease.

[Andy Burnham]

Last week, we had an important interim report on our national dementia strategy from the National Audit Office; I am grateful for the attention that it continues to give to this important matter. The report describes our strategy as "ambitious and comprehensive". It acknowledges the progress that we have made while rightly challenging Ministers to intensify our efforts. I welcome the report and take its recommendations very seriously.

We must recognise that we are in the first few months of this five-year strategy and that change will not happen overnight, but there are actions that we are taking to improve things now. For example, we know that we need to do more to improve commissioning. New joint commissioning guidance was published in June last year, and that is now helping PCTs and councils to make the right decisions in their area. We know that we need to improve training, so we have commissioned Skills for Health and Skills for Care to look at training needs across health and social care and, where gaps exist, to address them in the work force development action plan. We also know of the need to find the local leaders to drive through this programme of change. The hon. Member for Rugby and Kenilworth (Jeremy Wright) was correct to lay emphasis on that important point. The recent Alzheimer's Society report on acute hospital care and dementia was very helpful in prompting the acute sector to give priority to dementia. I welcome that pressure and those voices calling for such change within our national health service—long may it continue.

Rob Marris (Wolverhampton, South-West) (Lab): As regards voices calling for change, will my right hon. Friend resist any calls for privatisation in the NHS, as embraced by the Conservatives, who are playing footsie with Nurses for Reform, a privatising organisation led by Dr. Helen Evans; reportedly playing footsie with Care UK, a privatising agency; and have a leading MEP, Daniel Hannan, calling the NHS a "mistake"? Will my right hon. Friend condemn that and assure me that there will be no such privatisation?

Andy Burnham: I can certainly say to my hon. Friend that we are proud of our NHS. We also, though, value the contribution made by voluntary sector and private sector providers. We have read reports about donations given to the Conservative party; I do not know the rights and wrongs of that. However, I do know that it raises a question about the independence of policy making by its shadow Front-Bench team. Well over a week ago, I wrote to the right hon. Member for Witney (Mr. Cameron) to ask him to give me assurances that that independence is not compromised—*[Interruption.]* Well, we need to know. I asked what safeguards have been put in place to remove any perception of a lack of independence. If I had had a reply to that letter, perhaps I would have been reassured by now, but I have not—am I not owed one so that I do not need to raise this matter? My hon. Friend makes an important point. It is interesting to see the company that the Conservatives are keeping, particularly people who repeat the claims about the NHS being a Stalinist creation.

I entirely support the NAO's recommendation for acute hospitals to identify their clinical lead for dementia by the end of March. We are making real progress, but there is a long way to go. I can tell the House that the Minister of State, my hon. Friend the Member for Corby (Phil Hope), who is responsible for care services, and I are putting a determined and relentless focus on these services to achieve the transformation that we want to see. To help us, we have Martin Green as our dementia champion for the independent sector, and only last week we appointed the first ever national dementia clinical director, Professor Alistair Burns. Alistair will take forward our response to the anti-psychotics review to implement all its conclusions and recommendations, leading to reduced use of these drugs in the management of dementia. He will lead on the national audit of services and the action plans that follow. I pay tribute to my hon. Friend the Minister, who has driven forward work in this area and, indeed, commissioned that review by Sube Banerjee.

As we approach the first anniversary of the strategy's launch, I am confident that we are on track to deliver our goals. I have described the NHS and social care services that I want to see in the coming years—services that are high quality and efficient, preventive and people-centred. Providing effective early support for people with dementia is a vital part of that vision. We now have the evidence to show just how crucial early invention can be. The partnerships for older people projects helped more than 250,000 older people, enhancing their quality of life, improving local working relationships and providing efficiency savings for the entire health and social care system. The evaluation of the projects was published earlier this month. It showed that through early intervention, they cut overnight stays in hospital almost by half, cut accident and emergency attendances by just under a third, and cut clinic or out-patient appointments by more than 10 per cent. For every £1 invested in prevention, there was an average saving of about £1.20 in emergency bed days. In fact, it was found that there was a £1.40 saving for secondary and tertiary prevention and a 70p saving for primary prevention services. This shows that even well-being services can deliver efficiency gains. Taken together, that makes a compelling case for changing the way in which we spend health and social care resources, as the hon. Member for Castle Point (Bob Spink) rightly said.

As we reform services, we must strive to give people more choice, convenience and control over their care, to put quality at the heart of our services, and to take more early, preventive action to keep them healthy and in their own homes, which is where the vast majority of people want to be. That is what our Personal Care at Home Bill is all about. Through this Bill, we want to provide support to more than 400,000 of the most vulnerable people in our constituencies, including people with dementia, to help those with the greatest needs, who require intimate personal care in all aspects of their daily lives. In many cases, they will already have paid significant sums out of their own pocket towards the costs of their care as their condition has deteriorated. Their family and carers will have faced considerable pressure in recent times as they have battled to get the help that they need or sought to balance the demands of their own lives with looking after a loved one. The Bill will provide powers for people to receive intensive support to prevent them from developing more serious needs. It will help them remain healthy and independent in their own homes and extend their quality years of life.

The Bill has two clear aims. The first is to end the lottery in home care for the most vulnerable people in our communities, and the second is to pave the way for a bigger reform of social care in the next Parliament and the creation of a national care service. There has been a long process of reform since 1997. We have committed unprecedented levels of grant increase to fund investment in local council services, achieved real success in improving service quality and introduced radical reform to personalise services, including individual budgets that give people control over their own lives.

However, we know that a more radical approach is needed. The people with the highest needs still face the greatest costs, and we now have a chance to build a better future for them. People need and expect health and social care services to work more closely together. They want seamless services, and they do not want to be passed from pillar to post before they receive them.

Rob Marris: Can my right hon. Friend confirm that one major reform that we have introduced, which has been little heralded, is that when one of a married couple has dementia, for example, and sadly needs to move into a residential care home, there is no longer a requirement for that couple to sell their home at that point? This Government changed the National Insurance Act 1948, effective from April 2009. The myth is still going around that if a man goes into a residential care home, his wife has to sell the house and move out, but that is wrong. That is no longer the case, which was a major and positive reform from last April.

Andy Burnham: My hon. Friend is right that a myth is put about that we have done nothing and that there has been inertia for 10 years. There has not. We have reformed our social care system to make it fairer and taken steps towards the fundamental reform that I am saying is necessary. He is right that the house is disregarded when two people are involved, and he will know that we have gone further and introduced the deferred payments scheme, so that if the other person goes into a care home too, the house does not have to be sold immediately during their lifetime; that can be considered later.

Those are two important reforms that are glossed over by some. However, we want to go further, and that is the case that I am making today. On their own, those reforms are not enough. If we do not do more, we will face a generation of older people who experience greater unfairness as they approach care. As good as those changes were, I am prepared to accept that they will not do the job completely.

The Government's vision is of a national care service that is fairer, simpler and more affordable, that is underpinned by national rights and entitlements, that ends the postcode lottery in care and that is personalised to individual needs. The vision is a system with quality at its heart, in which people get the care and support that they need wherever they are in the country. The national care service is about helping people live their lives in the way that they want to, putting their needs and wishes first, helping them keep up relationships with family and friends and live in their own homes as long as they can, and where possible helping them continue to work and contribute to their community.

Reform of the care and support system and the shift towards prevention is the only fiscally responsible strategy for the long term, but it is also the only morally responsible strategy. I intend to publish a White Paper in the very near future setting out the future of care and support in England. We are working to improve the services that are available now and transform them in the years to come. As we take our first steps in this new decade, we are beginning to create the momentum that is necessary to deliver once-in-a-generation reform.

1.54 pm

Greg Mulholland (Leeds, North-West) (LD): I echo the words of the Secretary of State by warmly welcoming the chance to debate this important issue. I congratulate the hon. Member for Eddisbury (Mr. O'Brien) and his team on bringing the matter forward. This is a particularly important time to talk about this range of conditions—we need to remember that that is what dementia is—that have such an impact not only on the individuals who are unlucky enough to suffer from them, but on their families, carers and friends and on the communities that they live in.

Here we are, nearly a year after the announcement and commencement of the national dementia strategy, which we all welcomed as a big step forward in how we, as a country, deal with dementia. It is right and proper that we now consider the matter and where we are up to, just before we get into the campaign proper, because whoever is in government after the next election must be firmly committed to seeing the strategy through its whole 10-year period. We are certainly happy to make that commitment, as I am sure Members of all parties are.

The comments of Professor Sube Banerjee to the Public Accounts Committee were an extremely powerful way of describing the effects of dementia. He said that it was

"one of those rare diseases that people actually consider worse than death."

We all know that dementia is becoming more and more prevalent in our society. Already about a third of people in care homes suffer from it, and the latest estimate is that there are approximately 600,000 people with dementia in England. However, as the hon. Member for Rugby and Kenilworth (Jeremy Wright), who leads the all-party group on dementia, has made clear, we simply do not know the actual number. That is partly because of the challenge of early diagnosis and partly because of the challenge of getting people to present to doctors when they fear they may be in the early stages of the condition.

Mr. Hoyle: The hon. Gentleman is making a very good point. May I say to him that there is a stigma among relatives, who want to protect someone in their family and do not want to admit that there may be a problem? Does he agree that we need to provide more help and support and welcome the job that carers do?

Greg Mulholland: I do, and that is a very important point. I hope that our regular debates on the matter and the strategy itself will do something to deal with that stigma. We can only imagine the trauma and devastation of someone facing the possibility that they or a loved one may be facing the condition, and the effect that it will have on their life in the coming years.

Mrs. Moon: Does the hon. Gentleman accept that part of the difficulty that we have, and part of what we must accept in the debate, is that dementia is not an entity but a spectrum? Someone may function quite

[Mrs. Moon]

well on one day but not on another. Depending on their medical condition, their situation may fluctuate. It is dangerous to write off somebody who has been diagnosed with aspects of dementia as "demented". We have devised the capacity assessment, but that should be utilised only in conjunction with supportive carers who know the individual and their fluctuation.

Greg Mulholland: I alluded to that in my introductory comments by pointing out that dementia is not one condition and that a number of conditions come under that umbrella, but the hon. Lady is absolutely right that dementia affects people in different ways. Many people in the early stages can lead full lives and can work. I have been pleased to work with the author Terry Pratchett, particularly on research into dementia, which, as Ministers will know, I have campaigned on. Terry Pratchett is still writing, going to our party conferences and getting the message across, and it is very important that we do that. Nevertheless, the fear and stigma will still exist, for Terry and for everybody else. They simply do not know what is around the corner, how it will affect them and how long they may live. The hon. Lady is right that that presents us all with a challenge in considering how to deal with the matter in the health and social care system.

I echo the comments of the hon. Member for Eddisbury in paying tribute to everyone currently involved in dementia care, which is a particular challenge. Of course, the wonderful people who work in our health service and in our care homes always face challenges, but those who deal with the problems of people with dementia, particularly in the latter stages, deserve our tributes for all they do for those most vulnerable people in our society. I also echo the tributes to the all-party group, of which I am a member, and especially to the leadership of the hon. Member for Rugby and Kenilworth.

The national dementia strategy for England was launched, rightly with a fanfare, last February. It made clear recommendations for improving dementia care under the key themes of raising awareness and understanding, of early diagnosis and support and of how to help people living with dementia. The National Audit Office report—HC 82—has now been published. Although it acknowledges that progress has been made in some areas, it expresses the concern that dementia services are not given the priority that they were promised a year ago—and, crucially, the priority that they need for the excellent strategy to take hold in the early stages. All hon. Members want that to happen.

Tim Farron (Westmorland and Lonsdale) (LD): My hon. Friend has alluded to a concern that many of us share: although we welcome the funds that have been delivered through the national dementia strategy, the £1.5 million provided to the primary care trust in Cumbria does not appear to have resulted in any additional services for people suffering from dementia or for their carers. Organisations such as the Alzheimer's Society want clear, tangible, additional services to be provided for those people rather than the money being used simply to plug existing budget gaps.

Greg Mulholland: My hon. Friend rightly makes the point that making a difference on the ground, in those PCT areas, is important. Without getting into the ring-fencing debate, as we often do, can the Secretary of State give us better assurances and tell us that the money is being spent, simply by asking PCTs to report back and tell us what they are doing? Every PCT that has been given the money has a responsibility to ensure that it delivers. That is a challenge for PCTs, because of their budgets, but it must happen for the strategy to work. When there is evidence on the ground that the money does not appear to make a difference to local dementia services, sanctions must be put in place so that the Secretary of State can take action. If PCTs are failing to deliver the strategy, the Secretary of State—whoever he is—should be able to say that that is unacceptable and that it will not provide appropriate care in the area.

Early diagnosis is one of the biggest challenges in the strategy. According to research from the House of Commons Library, people wait for three years, on average, before reporting symptoms to their doctor. That problem cannot easily be solved, but it is clear evidence that education must be a key part of the strategy, particularly through health professionals and GPs, to communicate to people that they should go to see their doctor and get a diagnosis. To revert to the point that the hon. Member for Bridgend (Mrs. Moon) made, early diagnosis and care from that stage can make a great difference to the condition's progression.

The Secretary of State mentioned the concerns about local leadership. The point has been strongly made that local leadership is simply not there. Without that, the strategy will not succeed. It is not only about money, but about leadership. I urge him and the Minister to stick to the deadline of March—I welcome the fact that he has set it—for having it in place.

We need further and appropriate meshing of our health and social care systems. It is a policy challenge to which there are no easy solutions, but interesting pilots are going on around the country. The artificial divide that often exists between health and social care cannot be more meaningless than in the case of dementia. It would be good if we could use the national dementia strategy to make progress on better meshing health and social care, so that the system becomes seamless for people, whether they need something that is currently defined as "care" or something that is defined as "health care".

Mrs. Moon: One of the key ways in which that joint working can be effective is when an elderly person with dementia, who has a care package at home from a care agency, needs to be admitted to hospital and the ward staff are willing to accept the help, support, advice and guidance of those carers from the agency, who know all about the management and needs of that individual. Sometimes there can be a breakdown of communication between professional care staff in hospitals and those at home. A greater willingness to listen to advice about the care to which people respond at home could result in treatment in hospital being eased.

Greg Mulholland: The hon. Lady makes an important point, which clearly shows that we need to learn from experience on the ground how we can improve matters. I shall speak shortly about the particular challenges of dementia care in hospitals.

Training is another key part of the strategy. According to the dementia care services market briefing last year, a third of care homes that specialise in dementia—I am not referring to those that do not—do not provide their staff with dementia care training. When the Minister responds, will he give us an update on progress on training? If our care professionals—people who deal with those with dementia—do not have the proper training and education on dementia, many of the good aims in the strategy simply cannot be brought to fruition.

Dr. Palmer: Does the hon. Gentleman agree that there are two kinds of care training: one for people who are engaged in intensive care support for those suffering from the illness and the other for general hospital staff, who may encounter patients who have another illness but who also have elements of dementia? The latter also need training in how to respond appropriately.

Greg Mulholland: The hon. Gentleman makes a good point, with which I agree. Anyone in the care or health sector who may come across people with dementia needs education and training about how to look after people with that range of conditions.

Mr. Swire: Does the hon. Gentleman agree that it is important to consider expanding the role of Admiral nurses, of whom there are 65 or 70 currently in England? The nearest one to Devon is unfortunately based in Woking, but they do a remarkable job, and the body should be expanded.

Greg Mulholland: That sounds like an interesting scheme, albeit one of which I am not particularly aware. Again, it is the sort of thing that should be fed into the strategy and the debate, so that we can learn from best practice throughout the country.

The Alzheimer's Society expressed its disappointment, which I share, that the recently published operating framework for 2010-11 does not explicitly refer to dementia.

Andy Burnham: The hon. Gentleman is making an excellent speech, but to correct him, the recent operating framework mentions dementia services.

Greg Mulholland: The information came from the Alzheimer's Society. My point is that primary care trusts must view the services as important. The Government have set out their stall with the strategy, the Opposition have had a chance to set out theirs today, and I am doing it for the Liberal Democrats. However, if strategies do not filter down to PCTs, we will not have the services that we need on the ground.

Jeremy Wright: May I return briefly to the operating framework? The Secretary of State is technically right that dementia is mentioned, but it is mentioned extremely fleetingly, and the importance that the Government have given to it is not in any way reflected in the priorities of the strategy.

Greg Mulholland: I thank the hon. Gentleman for that helpful intervention. I do not want to get sucked into the rather bad-tempered debate about tiers 2 and 3. The national dementia strategy is clear in its prioritisation, but is that filtered through to all levels of the NHS, which it must be if it is to be delivered?

It was promised that every town in the UK would have access to a memory clinic—that was how the promise was phrased—but it is clear from the NAO report that that will not happen. The hon. Member for Chorley (Mr. Hoyle) used a different word, and spoke of memory centres, but the hon. Member for Eddisbury spoke of memory services—*[Interruption.]* He pointed out that the rhetoric was now memory "services" rather than "centres" or "clinics". We need to be clear where that promise is going. Let us face it: what we are talking about is everybody in every town having appropriate access to specialist services to deal with memory dementia.

Mr. Hoyle: Just for clarification, I treat a "clinic" and "centre" as the same—the provision of services is the important thing. Obviously, a major centre such as Chorley would be an ideal location.

Greg Mulholland: I am sure it is. I am sure that Chorley is the ideal location for many things—*[Laughter.]* To make a serious point, I was not trying to catch the hon. Member for Eddisbury out on the words that he uses; I am simply asking the Minister whether people in every town and city, including Chorley and Leeds, will have access to those services in the way that was promised.

Funding is a challenge for us all. We recently had a good debate on the Personal Care at Home Bill, but care for people with dementia in itself presents a huge challenge within the overall discussions on funding for social care. Dementia already costs England alone £15.9 billion a year, which will rise sharply year on year. The King's Fund has predicted a total cost of £34.8 billion by 2026, which is an increase of 135 per cent. Dementia currently costs the country £539 a second. An amount of funding was clearly set out in the strategy—a figure of £2 billion over the years of implementation—but where precisely are we going to identify efficiency savings to secure that important funding? Without that, the strategy will fall by the wayside, so we must face that funding challenge.

I say that within the wider context of the debate on the funding of long-term care, which I have been happy to be involved in. I have spoken many times in the House on that and have held many meetings with many of the organisations involved. Dementia funding is particularly complex, partly because it so clearly breaches the artificial divide between health and social care—there are huge costs for both the NHS and local councils. We also know that as life expectancy rises and care costs increase in total, families face uncertainty about what their costs will be and how best to plan for them. That is a challenge that we have yet to face.

I welcome the Secretary of State saying that the White Paper will be published soon. I do not know whether he can commit to giving any more of a clue as to what "soon" means, but we are running out of time before we get into the campaign—there was a little too much campaigning in some of the earlier contributions—and in this Parliament.

Andy Burnham: By June.

Greg Mulholland: That is very helpful. You heard it here first, Mr. Deputy Speaker. If there is nothing by 3 June, we will be asking the Secretary of State to resign.

[Greg Mulholland]

To echo an earlier point, the Liberal Democrats are firmly committed to sitting down with both the Conservatives and the Government to find a process and a solution to the problem of funding for social care. We all need to commit to doing that in the next Parliament. The publication of the White Paper will be the time to start that process, but it will happen mainly in the new Parliament.

On funding for dementia, the Alzheimer's Society has pointed out that dementia services provide excellent value for money, which is an indication that too often we do not consider the value of preventive care. In its 2007 report on dementia, the NAO highlighted that significant money was wasted because of an inadequate response to dementia, which we must take seriously.

I am not going to discuss the debates on the Personal Care at Home Bill that took place two weeks ago, because the matter has been dealt with, but people with dementia, and certainly people who have dementia in its latter stages, are in the category of people who will receive care at home. However, many people with dementia are cared for by spouses, partners, friends or neighbours. I made this point in the debate on the Bill, although not specifically with regard to people with dementia, but many people may not be in the Government's figures and may not yet have come forward to say that their loved one qualifies for, and would like to receive, personal care at home. That is a note of caution, because the cost to local authorities may have been underestimated. We need a more robust assessment to include those who might wish to receive personal care at home who are not yet accounted for in the figures.

When I first read the motion in the name of the hon. Member for Eddisbury and the Secretary of State's amendment, I was pleased to see that both contain a clear commitment to dealing with anti-psychotic drugs, which are sometimes known as the chemical cosh. My hon. Friend the Member for Sutton and Cheam (Mr. Burstow), who has led on that issue over a number of years, has highlighted that totally unacceptable and too-prevalent practice. According to the Alzheimer's Society report, 77 per cent. of nurse managers and nursing staff said that anti-psychotic drugs were used always or sometimes to treat people with dementia, which is huge figure. I hope it is decreasing, and it would be good to hear about progress.

We want a clear commitment not only to review the use of anti-psychotic drugs, which is included in the amendment, but to stamp it out when it is not appropriate. Those drugs have been shown to shorten life, and slow response times, mobility and cognition—of course, they do nothing to treat dementia itself. People are up to three times more likely to have a stroke while under the influence of the drugs. It is frustrating that we are still talking about the matter in that way. I would like a little more from the Minister. Never mind a review; let us have action to stamp it out. Let us educate people and ensure that our most vulnerable people are not being inappropriately treated.

Earlier in the debate, someone mentioned inappropriate treatment by the use of a feeding tube. We had the report earlier in the month from the Royal College of Physicians, which said that the procedure should be used only as a last resort, but was all too often being used inappropriately in care homes. The report suggested that the practice could be due to staffing constraints and budgets. Dr. John Saunders, the co-chairman of the working party, said:

"In the demented patient it does not prolong life, the treatment is inappropriate and futile. It is actively unethical and dubious."

I am sure that we all agree with that, but it is thought that up to a fifth of patients with feeding tubes have them inappropriately, because either the tubes are futile or the patient could eat normally if given proper care and assistance. It is an absolute scandal that that is still going on in care homes. I ask the Minister to respond on this point and tell us whether any progress is being made. I hope that he will be able to tell us that greater progress will be made.

I was amazed to learn that it is estimated that a quarter of long-term patients in hospital have some form of dementia. The medical evidence shows that the longer people with dementia are in hospital, the worse the effect on their symptoms of dementia and on their general physical health. Of course, discharge to a care home or their own homes then becomes more problematic, and there is the danger that anti-psychotic drugs are more likely to be used.

I join the right hon. Member for Sheffield, Brightside (Mr. Blunkett) in paying tribute to Neil Hunt for his leadership of the Alzheimer's Society, which has produced an excellent report called "Counting the Cost". Neil Hunt has said that the NHS is not facing up to the challenge of dementia and that there is a need to improve the care given to sufferers.

The report finds that supporting people with dementia to leave hospital one week sooner than they currently do would result in savings of at least £80 million a year. Such an approach differs from the usual approach taken in health and social care, but we all need to identify such savings if we are to continue with the commitment to the national dementia strategy that we all want to see.

The issue of research is not directly mentioned in the motions today, but I agree with the comments made by several hon. Members that, alongside the issue of care, we need to look at the issue of research. The cost to the NHS of dementia is more than that of cancer, heart disease and strokes put together, but the budget for research is a fraction of that for cancer. We need to listen to Terry Pratchett and the Alzheimer's Society and find ways to provide better care and enable people to function and work for longer through scientific breakthroughs. I ask the Minister for reassurance that we are making progress—even if it is only slow progress, given the recession—towards the £96 million research budget that the Alzheimer's Research Trust estimates is necessary to tackle this appalling range of diseases.

2.24 pm

Dr. Nick Palmer (Broxtowe) (Lab): I have some personal connection with this issue. My late father suffered from dementia, and my mother and I were his carers until he died aged 75. Before I discuss general policy issues, I shall make a few extrapolations from my personal experience.

I am aware that people are fearful of dementia, partly because it is not at present curable and partly because they fear many of the aspects that we have heard about

today—the decline into incapacity and helplessness, and the humiliation. However, it is not always as traumatic as people fear. My father retained his optimism and good humour to the end. I like to remember his remark that the good thing about dementia was that he was able to read all his favourite books again because he could not remember how they turned out. If we can encourage that sort of attitude, among carers as well as sufferers, we might be able to make things less traumatic.

An important policy point that arises out of that experience was raised by my hon. Friend the Member for Bridgend (Mrs. Moon), who referred to the spectrum of dementia, from serious cases, with sufferers who are totally dependent, to cases in which people are able to make decisions about their own lives. My father remained aware of his condition throughout his life and he was able to discuss with us appropriate protective measures and the trade-off between too much risk and too much interference with his enjoyment of life. For instance, he never went out on his own, because he was afraid that he would not find his way home, but that did not mean that he just stayed at home all the time. When he could, he went out to enjoy the pleasures of the outside world.

The condition is not a steady state. People often imagine that once someone has dementia they experience a steady slide downwards, one day forgetting one thing and the next day forgetting two things, and so on. As my hon. Friend also pointed out, it is not like that. Sufferers have good days and bad days, just like the rest of us. It is important that carers, whether professionals or relatives, recognise the good days so that they can take a step back and be less intrusive, to give the sufferer a bit of space, a chance to explore what they can do and to use what capacity they have. On other days, the sufferer will need more support, and the carers will need to move in closer. That recognition can be difficult, and is part of the training that has been mentioned already today, especially in the sensitive speech by the hon. Member for Leeds, North-West (Greg Mulholland).

Mr. Swire: I am following the hon. Gentleman's speech with considerable interest. Does he agree that one of the problems for carers, especially family carers, is the unpredictability of the sufferer's response? That is why some form of proper respite care is so critical, so that carers have a chance to recover a piece of their own lives.

Dr. Palmer: The hon. Gentleman is right. From talking to other families in that situation, I know that it is common for the carers to suffer much more than the sufferer, although that was not the case for my family. The person with the condition will sometimes have a diminished recognition of just how bad the situation is, but the carers can see something tragic going on, and it is important that they get support. An element of day care support is also important for the person suffering from the illness, which relates to the points made by my hon. Friend the Member for Bassetlaw (John Mann) about what is happening in Nottinghamshire.

The general problems that we face include, first, the widespread dread of Alzheimer's and dementia, which we must anticipate will continue to increase as it seems to be a function of greater longevity. If someone dies at 40, they probably will not have Alzheimer's—they might, but the probability is much lower. If someone lives to 90, the probability is significantly higher. The excellent report by the Parliamentary Office of Science and Technology, on which we all often depend, states that 47 per cent. of the British population know of a family member or close friend with dementia. In a great many cases, therefore, that dread is fed by personal experiences. Indeed, I would assume that some of us in the Chamber will eventually fall victim to dementia. We need to be aware of that.

On this issue, there is real public support for effective action so far as it is possible. I shall be partisan for a moment: as my hon. Friend the Member for Bassetlaw said, Nottinghamshire county council proposes to sell off all its care homes, including Bramwell, in my constituency, which specialises in Alzheimer's care. It has conceded, in discussions with me, that the effect might be to dissipate the centre of expertise that has been built up there, because the private buyer may choose to merge it in due course with another home and so lose that focus. That seems to be undesirable.

In the local debate, a number of constituents have said that, although in other respects they are 100 per cent. behind the Conservative council and have always been Conservatives, on this issue they think that the council has got it wrong—to the point that they might not vote Conservative if it persists with its policy. We are all politicians, so this issue becomes partisan. However, even those parts of the electorate that are otherwise keen to save public money, by reducing council tax and so on, make an exception here; they feel that it is valuable to have some local centres of expertise, because any one of us or our loved ones could fall victim to Alzheimer's or dementia and so need such a centre. If we do not, and if we spend a bit of council tax on it but find that we do not need it, we should count our blessings.

Jeremy Wright: I will not, of course, engage with the hon. Gentleman on the details of what is happening in Nottinghamshire, which I do not know anything about. However, I assume from what he says that his case is not that there are not excellent examples of good quality dementia care in the private sector.

Dr. Palmer: That is correct. I also would not say that every public sector home is a model in its treatment of Alzheimer's. I am basically saying that it is important that each area has available centres of excellence, and that that should be a responsibility of local councils. We can debate how they can achieve that, although to some extent that is a secondary matter, but they should not pursue policies that result in the absence of such specialist knowledge.

The second general issue is the conflict between localism and national strategy. We tend to tiptoe around this matter; we all try to have it both ways. We are all in favour of localism and against postcode lotteries, but they are the same thing, are they not? If we have local decision making, we will get variations—one local authority will decide one thing, and another will decide something else, and for the sufferer, that will mean a postcode lottery. If they happen to live in an area where their condition—this does not apply just to Alzheimer's—is given greater priority, they are in luck. On the other hand, if we try to govern it all from the centre, the sense of local responsibility and local decision making is lost. There is a tension there that we have to be honest about, and I shall come back to that in a moment.

Mr. Stephen O'Brien: The hon. Gentleman has made an important point with which we are all wrestling: how one can put portability into effect, on the ground, so that if one had to move between areas, there would not be a postcode lottery—as he put it—in the delivery of services. I hope that he has something to say—he might have been coming to this—about how a national standard assessment of care need might look. The Government have yet to answer that important question.

Dr. Palmer: I agree with the hon. Gentleman; that is an important point, although, to be honest, I did not include it in my speech notes. However, I am glad that he has raised it, because it will become increasingly important. Often, somebody with difficulties will move home to be closer to relatives able to give support. The continuity of support then is extremely critical.

What should we be trying to do next? First, I would like to come back to my response to the hon. Member for Rugby and Kenilworth (Jeremy Wright). We need to develop and protect centres of expertise in each area. We can debate how large the area should be. In 2006, we had up to 131 memory centres—we probably have a few more by now—in England alone, I believe. That is a reasonable number. We can debate just how dense the network needs to be, but basically it ought to be possible for people in each area to have access to expertise. If, at some point, someone needs to go into a home, it should not be so far away that those who have cared for them until then can barely visit and so supply the support.

I believe that this is one policy area in which it is appropriate to have a national target, if I may use the dreaded word. It is appropriate that the Government place an obligation on each county council to ensure that within the county there is at least one centre of expertise for Alzheimer's and dementia. If we do not do that, we will see what is happening in Nottinghamshire—under the pressure of costs and other considerations, councils will prioritise other matters. Centres of excellence are so important at the moment, partly because the limited support that we can give to those with dementia is an expert skill. The POST report states that the memory services that have been introduced have been shown to be "clinically and cost effective". It is one of the rare and precious elements in our approach where we have something that actually works, and unless we can apply it locally, people locally will miss out. It is appropriate, therefore, regardless of one's ideology in other areas, to say that the Government should require each county council to provide and maintain one such centre of excellence.

If, and when, adequate or good treatment is developed for dementia—the pharmaceutical industry is making enormous efforts, because obviously it has an interest in finding a treatment—those centres will be all the more important. What a tragedy it would be were we suddenly to find that we had a treatment but had thrown away the infrastructure to deliver it and that in some counties we no longer had that expertise. Obviously we could build it up again, but in the short term we would miss out, and that would be a genuine tragedy for the people involved.

Jeremy Wright: I am grateful to the hon. Gentleman for giving way again. I wonder whether he agrees that the likelihood is that the treatment that he is talking about will not be deployed through the network that he is describing unless we spend more money on research. Would he like to comment on that?

Dr. Palmer: Yes, we are part of the world community on that. It is entirely appropriate that Britain should play as full a part in research as it can. It might be that the important breakthrough will be made somewhere else and that we will develop it—that is the way things happen in medical research. Private research is intensive, because the first company to develop a treatment will do well out of it, and frankly I would not begrudge any company that success, because it would be doing a lot for humanity. I therefore accept the hon. Gentleman's point, but we should not create illusions either. Even if we can treat such conditions, it might be that as people live longer and longer, the prospect of our mental capacity on average gradually declining will inevitably be an invisible rider beside us. It might be that although we can alleviate the problem, we will never completely remove it.

Mr. Swire: I am grateful to the hon. Gentleman for giving way to me a second time. Does he agree that, alongside the advances in medical science, which we all hope will accelerate, part of the Government's national dementia strategy that deals with the training, the education and often the re-education of GPs in the early diagnosis of dementia in its first stages is also critical?

Dr. Palmer: Yes, and I can see that the hon. Gentleman's brain is in an excellent state, because he has anticipated what I was about to say. My next point was that we need to educate GPs, the public and non-specialist health and social care staff to recognise and respond to the signs of early onset, and to distinguish accurately between normal absent-mindedness, which is not totally unknown even in this place, and the clinical symptoms of dementia. I see that both ways in my constituency work: I see people who are convinced that their partners have Alzheimer's when they perhaps do not and people who are shutting their eyes to it. Because we know that early recognition combined with memory services can delay the need to enter a care home, it is a cost-effective approach, which is important to the individuals affected.

As an immediate measure, we need to help people to stay at home while they can, if they want to, with support for their carers—this relates to the point that the hon. Member for East Devon (Mr. Swire) made earlier. For most sufferers, there is a trade-off between the risks of being at home in a less guarded environment than a closed mental illness institution and the benefits of being in a familiar environment that they have cherished for many years, surrounded by people they know—and hopefully love—and of drawing comfort from that environment when their facilities diminish. We should not take away that choice.

We are very risk-averse as a society. If somebody with dementia who lives at home has an accident—because they wandered on to the streets, got lost and were knocked down by a car, for instance—there are always questions asked. People ask, "How could that happen?", "Where were social services?" and "What were the relatives doing?" However, there are risks in every part of life, including being in a closed ward. There are risks to people's mental state and, basically, their happiness,

so we should not take away people's capability to make rational decisions just because their memory is failing. In many cases it might be possible to have a serious discussion about that. The Personal Care at Home Bill is an important contribution to that, because if free personal care is available at home in the most critical cases, in many instances it will tip the balance between early admission and admission a little later. That will not only help to reduce costs, but be beneficial for the individual concerned.

Finally, what is our long-term vision? In the long term, we hope to see effective treatment. Perhaps we will never have a complete cure for mental decline, as I have said, but we should aim for a continuous spectrum, which starts at the point at which the first symptoms are recognised and accepted as a normal part life—as one of the things that can happen when one gets older—in order to ensure that initially relatives, friends and carers are brought to accept what is happening as something natural that they can deal with; that if and when the symptoms start to get worse, there is additional care support from the local authority of the kind envisaged in the Personal Care at Home Bill; that if that person's condition continues to deteriorate, we have day care facilities and support for carers, so that that period is less traumatic than it often is today; and, if that individual eventually needs to go into a care home, that the home still treats him or her with the respect and dignity that he or she deserves.

My father said in his final years that he had never been happier. I would like to think that in future that would be true for the majority of sufferers.

2.47 pm

David Tredinnick (Bosworth) (Con): I am grateful that you have called me, Mr. Deputy Speaker. I feel that it would be churlish if I did not congratulate the Secretary of State on his 40th birthday, although sadly he has now left the Chamber.

The Minister of State, Department of Health (Phil Hope): I will pass it on.

David Tredinnick: I am grateful to the Minister. The right hon. Member for Sheffield, Brightside (Mr. Blunkett) mentioned the Secretary of State's birthday and also said—the Minister will perhaps correct me if I have got this wrong—that they were in Wigan. I remember reading a book about Wigan by George Orwell—"The Road to Wigan Pier"—my abiding memory of which was the tripe shop, whose tripe was described by the proprietor as being the most beautiful tripe in the world. The author goes on to describe the number of flies that infested that tripe, so I was thinking to myself, "I do hope that the Secretary of State didn't have a meal of that quality in his hometown," although no doubt things have improved a lot.

I would like to focus on dementia this afternoon and, in a spirit of co-operation with the other side in the House, say how much I agree with the Secretary of State that this was a most appropriate debate for my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), the shadow Secretary of State, to have chosen.

Dr. Palmer *indicated assent.*

David Tredinnick: I see the hon. Gentleman nodding his head. This is an important debate at an important time. I do not want to speak for very long, but I would like to cover some of the problems and talk about Leicestershire and some of the possible solutions, because we have heard about aspects of care, but not a lot about the solutions for people who have the condition. I therefore hope that I can add something.

I echo the earlier remarks of my hon. Friend the Member for Salisbury (Robert Key), who talked about amnesia, not dementia. The Government's attitude to this subject has something in common with their attitude to energy, in that they appeared to suffer from amnesia in their policy on both dementia and energy for about the same length of time. For about 11 years, we did not have an energy strategy, and we certainly did not have a dementia strategy. It is amazing that the Government could have been in power for so long and then, as it were, stumbled across the issue so late in their tenure of office, which many of us suspect is almost over. The Minister of State is shaking his head, so we had better not go down that route, Mr. Deputy Speaker. Indeed, I can see you shaking your head, too. We have had various statistics—

Mr. Deputy Speaker (Sir Michael Lord): Order. I was shaking my head about not going down that route, not about other matters.

David Tredinnick: Thank you, Mr. Deputy Speaker.

The figures show that nationally there are about 700,000 people with dementia, but the number will double and rise to about 1.5 million. In Leicestershire, the county I represent, the figures for 2008 were about 8,000, and by 2025 it is reckoned the number will be 14,000. In my constituency, the Hinckley and Bosworth figures are 1,231 for 2008, rising to 2,114. There is no doubt about the scale of the problem. It is not surprising given that we have an ageing population.

One of the key problems is the mismatch between the availability of funds and those who are required to supply the services. I hope to develop that point. Conservative-controlled Leicestershire county council has done a very good job in that respect, but it has not been provided with the funding that would have been reasonable to supply the services it wants to offer.

I shall not try to cover everything. When I first came into the House, I remember a senior Member telling me—about somebody else's speech—that there was too much pudding in it. Three points in a speech is probably a good thing, particularly when other Members want to speak. My last point is about the negative impact of anti-psychotic drugs. The issue was also raised by the Secretary of State and commented on by the hon. Member for Broxtowe (Dr. Palmer), the hon. Member for Leeds, North-West (Greg Mulholland), who is no longer in the Chamber, and others.

Anti-psychotic drugs can cause strokes and they can cause elderly people to fall. I very much welcome Professor Sube Banerjee's review of anti-psychotic drugs. The Minister may say something about it later on, as he was prompted to do so earlier. It is a major issue and I hope to suggest some other products that might help in such cases, although I have to be careful as I may be corrected by the doctor on the Labour Benches.

[David Tredinnick]

I was intending to say that not enough planning had been done. However, I was pleased to hear about the forthcoming White Paper, which I think will be helpful.

Leicestershire county council is a top-performing authority, with an established home assessment and reablement team helping older people to stay independent, living in their own homes for longer and reducing the numbers going into residential care. I speak for the county when I say that it takes great pride in that. It also has a specialist dementia team to help keep people independent with the use of various forms of assisted technology. Leicestershire county council has achieved that despite its low Government grant. As a county, we are right at the bottom of the pile.

Despite various reviews during the tenure of the Labour Government, Leicestershire's funding is right at the bottom. We come back to the shire county versus inner city arguments. There are many different formulae but we do not get a lot of money. The grant covers only 28 per cent. of our social care budget. Nationally, there is a £6 billion shortage in social care, so it is regrettable that in general the Government have offloaded a lot of financial responsibilities to counties. No doubt, that is part of the reason why there are pressures in Nottinghamshire. I shall not go down the route of discussing the policy of privatising some of the homes there, mentioned by the hon. Member for Broxtowe. Not all privatisation is bad. Sometimes we can achieve efficiencies. In the past, we have seen private organisations develop ideas that may not have come about in the public sector.

Dr. Palmer: On a point of information, Nottinghamshire accepts that it has done well from the local government settlement. The council wants to freeze council tax, which is a political issue. Incidentally, I am a doctor of mathematics so the hon. Gentleman should not ask me to operate on him.

David Tredinnick: In that case, I am not sure whether I insulted the hon. Gentleman or paid him a compliment.

The hon. Gentleman spoke about his county. My recollection is that Nottinghamshire was not always under Conservative control, although I may be wrong. Perhaps the incoming Conservative administration is trying to put right the complete shambles that existed previously. I shall give way to him if he wants to comment on that, but he seems happy to retain his seat. I am not surprised—

Dr. Palmer *rose*—

David Tredinnick: I give way to the hon. Gentleman.

Dr. Palmer: On the contrary, Nottinghamshire is, I believe, the only county in Britain where not only people at severe risk have personal care support, but also people at moderate risk. I may be wrong, but the council is certainly one of the very few, because of the good record of the Labour administration.

David Tredinnick: We had better not go down that route but I remember that in neighbouring Derbyshire the Labour administration was unable to provide enough police cars, and all the muddle that—

Mr. Deputy Speaker: Order. I think the hon. Gentleman would do well to stick to dementia for the time being.

David Tredinnick: Perhaps amnesia got to me in that case, Mr. Deputy Speaker.

I approve of the policy of free personal care for the critical band, but where will the money come from? It has to be provided by local authorities so it is just another addition. I am happy to stand corrected, but—

Phil Hope: The hon. Gentleman said he would stand corrected, so I want to correct him. The Personal Care at Home Bill is costed at £670 million; £420 million of that will come from the Government and from NHS budgets.

David Tredinnick: I thought the Minister might have come up with a different figure, which is the difference the measure will not provide. That still has to be paid by local authorities.

Phil Hope: I am happy to give the hon. Gentleman that figure, too. The sums are not that difficult. It does not take a doctor of mathematics to do them: £670 million minus £420 million gives £250 million. Local authorities can find that sum through efficiency savings in their delivery of care services for people in the most need, not least by reducing the numbers who have to go into residential care, because they will be supporting people living in their own homes, which is where they want to be.

David Tredinnick: Although I applaud the fact that the Government have made money available, the serious point is that there is a shortfall nevertheless. A feature of the Labour Government is that they have tended to offload central Government costs to local authorities, which has caused problems for those authorities.

Other Members mentioned the lack of memory clinics—a broken pledge. I am glad to hear that action will be taken on memory clinics. My hon. Friend the Member for Gainsborough (Mr. Leigh), the Chairman of the Public Accounts Committee, referred to some of the issues raised by officials his Committee had interrogated. He might have added that the National Audit Office has said that

"vast amounts of money have been wasted and there were doubts over whether funding would be found to improve services."

Conservative-controlled Leicestershire county council has invested local tax payer's money to provide services to improve social care, which has not all been matched by central Government, which is regrettable. The Leicestershire budget, raised through council tax, contributes 82 per cent. of the total cost of adult social care, even before implementation of the measures in the Personal Care at Home Bill.

Phil Hope: I may be mistaken and the hon. Gentleman may be able to correct me, but I understand that Leicestershire announced it would be making one in 10 of its work force redundant. Does he really think that will help people with care needs?

David Tredinnick: We come back to the argument about delivery of service—who does it and whether it is necessary. We have heard that in Nottinghamshire some of the services are to be outsourced. I had better not go down the route of discussing the numbers in employment in Leicestershire, as I have not been briefed in this

speech to make those remarks, but I take on board what the hon. Gentleman said. Leicestershire county council has provided services for older people with mental issues. Five workshops have been set up recently for carers and users.

I can confirm what other hon. Members have said about the money from the national dementia strategy that was sent to primary care trusts. It is certainly the case in Leicestershire that, because that money was not ring-fenced, it has been spent on other things. PCTs were told that the money for the strategy was not included in their baseline figure—to use the correct terminology—and that is regrettable.

I think that the hon. Member for Leeds, North-West mentioned statistics and the lack of information. These are critical issues. Solutions have been proposed in the Personal Care at Home Bill, and we have heard about plans for improvements for carers, but we have not heard a lot about what can be done to extend the period in a person's life before dementia gets a grip, when they are not forgetful. There are certain measures that could be taken—they are not necessarily seen as mainstream medicine—and I want to focus on three of them.

The first, which has not been mentioned, is the lack of water. There is a serious problem with getting elderly people to drink enough water. I have raised this matter in the House before, over the years—*[Interruption.]* I am very pleased to see that the Minister has grasped the jug and is pouring himself yet another glass of water. I did not know that I had such powers of persuasion, or that I could get such an instant response from a Minister. The fact is that many elderly people do not drink enough water, although they might drink other things. This creates problems for the body. Simple strategies were applied in studies carried out in India, and it was found that people's susceptibility to illness diminished in direct correlation to the amount of water they consumed.

The second factor is diet, and particularly the importance of antioxidants and eating fresh fruit. Some foods are specifically effective in treating these problems, one of which is blueberries. I have been making this case for years, not only for blueberries. I can see the hon. Member for Bassetlaw (John Mann) smiling, but this is true. Studies have shown that some fruits are effective in this regard. We do not have enough information, however, and I want to appeal for more information on diet and on certain foods.

Thirdly, we should also look at some of the herbs that are effective in treating this problem. I am indebted to the Alzheimer's Society for providing me with a briefing on this subject. Many people have benefited not only from using antioxidants and improving their general nutrition but from using herbs prescribed by professional herbalists. There is a problem, however, because the Minister's Department has still not produced its proposals for the regulation of herbal medicine and acupuncture. They have been sitting in the Department for far too long, and it would be helpful if he could give me a date when they are to be published. It would be a great tragedy if they were not published before, shall we say, early May, or even April. The Minister and his Department would really be funking it if they left this for the incoming Government. They should at least tell us what they think, and come up with some kind of policy statement.

I shall not go into details about the various plants used in herbal medicine. Related to that, however, is Chinese acupuncture, which has also been found to be very effective in this regard. I am reflecting the views of the Alzheimer's Society on this. Whatever I happen to believe, the society believes that there is evidence of the effectiveness of acupuncture. My own knowledge of the subject suggests that it is perfectly possible to achieve results by adjusting meridians.

Studies have been carried out in Japan on the effectiveness of certain herbs. A product known as kanpo—a mixture of a Chinese herb called choto-san with other substances, including about 11 medicinal plants—has been the subject of investigation. A research study found an improvement in patients with vascular dementia who took that particular combination of herbs over 12 weeks, and decided that further research on the preparation seemed warranted. I should like to make a secondary point on the general regulation of herbs. The regulation process is considering individual herbs rather than the combinations, yet many doctors prescribe a combination of herbs. The Minister should take that into consideration.

In addition to the range of herbal medicines and products available, aromatherapy has also been helpful in treating patients using massage techniques and certain oils. Again, this should be looked at with great care. Other methods include music therapy: playing certain kinds of music can be helpful for people with this condition.

I appeal to the Minister to have an open mind on this. He should think about these alternatives, because they are effective, and they are supported by the Alzheimer's Society. I also look forward to his announcing the date for the publication of the proposals for the regulation of acupuncture and herbal medicine, when he winds up the debate.

3.7 pm

John Mann (Bassetlaw) (Lab): We have heard the policy of the Opposition Front-Bench team. The hon. Member for Bosworth (David Tredinnick) used the analogy of pudding in relation to certain speeches. The Opposition's policy seems a bit like a jelly: it can take any shape, it can be colourless, and it can be moulded in any way they want. We can never be quite sure what is there. Having heard their attempts at policy, I think it would be helpful if they were to inform the House about what action they would take.

It is appropriate to judge political decisions on changes to systems and laws, and on priorities relating to the allocation of resources, according to experience and to what people actually do. I cite as my example the county council of Nottinghamshire. Since June, it has been Conservative-run. Not only that, but three of the county councillors wish to become Members of this House at the next election. Nottinghamshire county council therefore represents a microcosm of what Conservative policy on dementia care would be, because we can see what is happening in that county and my own constituency now, before the election.

The Conservative administration in Nottinghamshire, led by the appropriately named Councillor Cutts and backed by the non-executive cabinet members—all of whom, coincidentally, happen to be prospective parliamentary candidates for the Conservative party—have

[John Mann]

put forward policies on dementia care, and those policies involve cuts. They wish to privatise residential care. In my area, that involves James Hince Court, a specialist residential dementia care centre in Carlton in Lindrick. It is an excellent centre. It could do with a little more refurbishment, but the quality of care, the professionalism of the staff and the responsiveness to the families are all superb. It has been externally validated as being superb, and my observation and that of the families involved is that it is superb.

A second example is Westwood. It is a very new facility in my constituency, which deals not exclusively but partially with dementia care. The Tory administration wishes to sell it off to the private sector. A third example is St. Michael's View. I was there last Friday at a meeting of residents—some suffering from the early stages of dementia and some the later stages—and they and their families are unanimous that that excellent facility should remain in the public sector. Why do they oppose the plans of that Tory administration—those would-be sitters on Conservative Benches? The reason is simple: they have experienced the private sector. Most of them moved from the private sector into the public sector. Strangely, private sector care homes have a lot of vacancies; one in my constituency has 31 vacancies. However, there are waiting lists, including of people I know, to go into the three excellent public sector centres, as there are for the other ones in Nottinghamshire. Having sampled, tried, felt, known and paid the private sector, people prefer to go into the public sector.

The second reason why people prefer public sector homes to private sector ones is that the private sector does not provide a day care facility, where people come in, have a cup of tea and use the expert provision of the staff, but do not stay overnight or pay anything significant towards the overheads. For the private sector, that does not pay. Some of our memory clinics, as they are called, are in public sector residential care centres, where properly trained, expert staff also provide specialist dementia care in a day care facility. That is why families like those centres and are adamantly against Tory privatisations, or, if they cannot be privatised, closures—that will undoubtedly follow from their spending plans.

What is the response to a major public campaign led by families against such absurd privatisations and day care cuts? Those Tories—would-be Tory MPs and others—propose in their budgets to increase significantly, by about 60 or 70 per cent., the cost of going to day care. They want to cut meals on wheels in the same way—by increasing prices. As has been outlined, they want to cut many other services relevant to dementia care, such as 20 specialist occupational therapist posts. Those are vital jobs that support the elderly and those with dementia. That is the Tories in action. That is what we will see should there be a Tory Administration nationally.

What is the Tories' response to the public outrage? They say that they will suspend the privatisation for one year. Is it possible that that extends over the election period so that they can claim that they have listened and that it might not happen? The reality is rather different. If we read the financial pages, we see that those in the private sector, including Care UK and others, are having difficulties, and many of them are overleveraged and in big debt—some of them are featured on the front pages. They cannot make lots of profit out of dementia care. The big companies that own loads of care centres across the country cannot make them pay at the moment. I dissociate myself from any consensus that such private centres are as good in quality as public ones, because in my area and Nottinghamshire, the facts—the external ratings—prove nothing of the kind.

The state of some private centres is a scandal. Let me give an example. Abbeymoor was the nearest one to my office. About a year ago, the staff, who were badly paid and trained by comparison with the public sector, with a higher labour turnover, but who were nevertheless decent, hard-working people wanting to learn a profession and serve the community, elderly residents and those suffering from dementia, turned up for work to find the doors locked. The private owner had decided to close it down, shunt the old folk out, get rid of the staff and not even pay them the holiday pay and wages that they were owed. Thankfully, we have just won a case at an industrial tribunal, which will get the staff the money that is owed. That is not the first tribunal I have had to fight in relation to private sector care homes in Nottinghamshire, but the third—and I have not been an MP that long. Three different care homes have not paid their staff properly. I have been in some of those, and have heard what the families say—not just those who have been lucky enough to get into the council ones, but those who want to.

Many of the private care homes are a disgrace. Let me tell the House what was happening in Abbeymoor. The staff were having to go out and pay for the food themselves, because the owner was not providing sufficient money. That is a scandal. My only criticism of Government policy is that they should have a stronger inspectorate for private sector care homes, because further scandals will be unveiled. I have heard of a recent inspection of a private home in my area that has a large number of elderly people, some with dementia. The staff were there in the daytime, when the families turned up, but seemed to be missing overnight. They were not there, as though not employed by the big, top, rich company that runs a large number of care homes in the area. In another private home, I am told they stick the residents in bed at 6.30 pm—that is a good quality of life! The hon. Member for East Devon (Mr. Swire) points. Let me point the finger at the people who want to be Tory MPs who are making those decisions.

I have given the view of the families, but let me give the public view. I sampled that a week ago, when I rang 5,500 of my constituents on an official opinion poll, under market rules to ensure that it was not biased. It gave them a choice: did they agree with the privatisation of care homes? Ninety-eight per cent. were against such privatisation. That is what the Conservative party will bring if it ever gets into power. It dares to suggest that it stands for those with dementia, yet fails to condemn the Tory county council in Nottinghamshire and its disgraceful attack on elderly people, that vulnerable part of society, and their families. That is an insult to our intelligence. My community in Nottinghamshire is fighting back to put the Tories where they should be, and to beat them on those decisions.

3.18 pm

Mr. Hugo Swire (East Devon) (Con): Last year, Mr. Paul Cann, the director of policy and external relations for Help the Aged, described dementia as

"fast becoming the hidden epidemic of the 21st century".

The more debates that we have in this place on the matter, either in Government time, or, as in the case of this afternoon, in Opposition time, the better. The subject needs to be aired and taken extremely seriously and should, on the whole, be non-partisan and non-political, difficult though that is to believe at times.

One does not need the mathematical skills that I attribute to the hon. Member for Broxtowe (Dr. Palmer) to work out that, looking at isolated demographics, the problem is set to grow rather than recede. In my constituency, 29.5 per cent. of the population is retired, against a national average for the rest of England of 17.3 per cent. In my constituency, I have the retirement destinations, as they are called, of Budleigh Salterton, Sidmouth, Exmouth and so on, so the pressures on local services are huge and set to worsen.

The Government's national dementia strategy, which is a year old, is, of course, a good thing. I welcome it, although it is belated. It contains important elements that need to be expanded. In the limited time available to me, I shall try not to go over ground covered in this comprehensive debate, but I say, again, that early diagnosis is crucial in the treatment of dementia. The more these memory centres—or clinics, as some hon. Members have erroneously called them—can be rolled out across the country, so much the better. The savings that an early diagnosis can make, in terms of both human suffering and the economy, are huge and should not be underestimated. We have, again, touched on better training for GPs. Some GPs are crying out to be retrained or trained in spotting the early signs of dementia, and they should be assisted in that without delay.

I wish briefly to discuss research into dementia. The hon. Member for Broxtowe said that we are in a global research environment and to an extent he is right, but it is worth pausing for a moment to remember the following:

"National Institute for Health Research investment in dementia research amounted in 2007-08 to £22.2 million. The Medical Research Council (MRC) spent £10.2 million on dementia research in the same year. This total expenditure of £32.4 million amounts to some 2.5 per cent. of the combined departmental research and development and MRC expenditure for the year."—[*Official Report*, 5 February 2009; Vol. 487, c. 1502W.]

Those are significant figures, but they pale into insignificance when one considers the sums that are rightly spent on research into cancer and other diseases. Although we are part of the global research family, we need to examine that. I hope that the Minister will not accuse me of ignorance in quoting those figures, because they are figures that he gave me in answer to a written parliamentary question.

I welcome the appointment of a dementia tsar. The Government's record in appointing tsars over the years has been about as successful as the Russians', and I hope that those tsars will not end up in the equivalent of Ekaterinburg. The appointment of Professor Alistair Burns is welcome, and I hope that he can co-ordinate the many different approaches to the treatment of dementia. My hon. Friend the Member for Tiverton and Honiton (Angela Browning), who has had to absent herself this afternoon, made an extremely good point when she said that every primary care trust should have a dementia champion who can also help to co-ordinate things on the ground.

I wish to discuss a subject that we have not spent enough time on: objective 7 of the Government's national dementia strategy, which is on "Implementing the Carers' Strategy". It states:

"Family carers are the most important resource available for people with dementia. Active work is needed to ensure that the provisions of the Carers' Strategy are available for carers of people with dementia. Carers have a right to an assessment of their needs and can be supported through an agreed plan to support the important role they play in the care of the person with dementia. This will include good-quality, personalised breaks. Action should also be taken to strengthen support for children who are in caring roles, ensuring that their particular needs as children are protected."

The hon. Member for Bridgend (Mrs. Moon), who is not in her place, talked about the spectrum of dementia. The hon. Member for Broxtowe, in a personalised contribution, talked about the good humour that the sufferer often has. What unites the carers is that they are often the ones who suffer most in all this. An estimated 600,000 people in the UK are acting as the primary carers for people with dementia. Two thirds of people with dementia live in their own home and one third live in a care home, thus the majority of people with dementia are probably being cared for either by professional carers or by members of their own family. It is estimated that the saving to the taxpayer is about £57 billion a year, but with that often comes a cost to the carers. Evidence has been found of carers dipping into their savings that they have put aside to help care for the person with dementia, which reduces what they have to look after themselves in later life.

It has also been found that 65 per cent. of people with a caring responsibility do not identify themselves as a carer in the first year of care—such people are often referred to as the "hidden carers". It is not just that category of people who are hidden carers. An awful lot of people who still believe in the family and look after their partner—their husband or wife—would never dream of regarding themselves as carers. Such people regard themselves as being a husband and wife and it being part of their duty to look after their lifetime partner. They also deserve our support.

Interestingly, and sadly, about one in five of the nation's 4.4 million careers of working age have to give up their employment in order to care. Many carers of people with dementia are older people who have physical frailty and health conditions of their own. At a dementia seminar in Exmouth earlier this year, I met one lady—she was not complaining and did not necessarily want more help from the state—who has looked after her husband for 20 or 30 years, which is a life sentence. She does not regret it in any way, but she is becoming increasingly frail and in need of support. Such people are often the unsung heroes and heroines of this tragic tale.

Nearly 45 per cent. of working age carers say that they would like to work, but 38 per cent. say that they cannot work unless the right care services are in place for them. Between 40 and 50 per cent. of working carers say that a lack of flexibility and sensitivity in the delivery of services hampers them in obtaining support.

I touched on the question of child carers earlier, and it is incumbent on us to take that issue seriously. Children who end up as carers often get overlooked, but their own education and passage into adulthood gets compromised in some way. I have also alluded to Admiral

[Mr. Hugo Swire]

nurses, who are fantastic. We need more of them, as they do a magnificent job, but I shall not dwell on that point.

I wish also to discuss respite care, which has been mentioned again today. Carers of people with dementia, probably more than any other category, need respite, if only to take some time off to go for a walk with the dog, to have their nails done or to go to the hairdresser. They just need to have a little bit of the life that they once had back, as that will, in turn, make them better carers. However, too often, we have seen day centres up and down the country close. The other day, I went round Stowford lodge in Sidmouth, in my constituency, which is used as a day care centre by people with dementia. Some of its bedrooms were being used as storerooms, but that is criminal. Surely this country should have a system in place whereby any beds in a purpose-built care centre should be available for overnight respite. It is incumbent on all political parties—this is a challenge for not only the current Government, but any future Government—to find a way to finance this properly in order to care for these extraordinarily vulnerable people.

Charges hit people with dementia hardest for four reasons: care is more expensive in care homes and two thirds of people in them have dementia; more dementia care comes from social services, and that is means-tested; people can need care for extended periods; and end-of-life care for dementia often takes place in a care home, rather than in a hospice or hospital. It is worth making the point that if somebody with cancer needs chemotherapy or surgery, or if someone with heart disease needs a heart bypass, that is provided free on the NHS, but if someone has a disease of the brain that causes dementia, their care is often provided by the local authority and is means-tested.

I do not want to revisit the case of my constituent, Mr. Mejor, on which the Minister accused me of being ignorant.

Phil Hope: The hon. Gentleman has to be very clear. I am interested to hear what he will say about this, as he intervened earlier on other colleagues. It is quite clear that, if a couple are in their own home and one of them goes into residential care, the home is disregarded when it comes to assessing the means of that couple, because somebody is still living in the home. It is only when the second person goes into residential care —if they both have that misfortune—that the home will be assessed. A deferred payment scheme should operate, and I hope that such a scheme operates in his area, which would mean that that home would not have to be sold until neither of the couple remain alive. Those are two different points, one of which was made by my right hon. Friend the Secretary of State in response to an earlier intervention. I hope that the hon. Gentleman will accept that knowing that fact—in other words, not being ignorant of it—might help him to represent his constituent's case.

Mr. Swire: I am most grateful to the Minister. My constituent, and everybody in East Devon, will be most interested to hear the Minister virtually make a commitment that there is no way that the Mejors can lose their home in this sorry episode. That is a magnificent thing, if that is what he is announcing this afternoon. The reality is that the case will be heard again at the beginning of February. I hope that Mr. Mejor will receive a continuing needs assessment, because he needs it, as far as I am concerned. He has at home an elderly wife and a daughter who has had to sell her home in order to care for her elderly parents. However, the truth is that if his case fails, it will be up to local social services to assess his needs, at which point charges towards the £800-a-week place in the Linksway nursing home can be re-examined and reassessed. That is, I think, the threat.

The Government are leaving this country in a sorry economic state, but I think, more than anything else, people want honesty now from their politicians. Surely, in all honesty, we need to acknowledge the problems that we have with the demographics, with the rise in people's ages and with the problems that those changes present with mental disease. Surely, at the end of the day, whatever the cost, it is our duty as legislators to protect those who are most vulnerable in society—those who are coming to the end of their lives and those who have, so often, selflessly cared for them.

3.31 pm

Jeremy Wright (Rugby and Kenilworth) (Con): I begin by joining the tributes that have been paid to Neil Hunt, the departing chief executive of the Alzheimer's Society. He has done a great deal, as most people involved in this issue know, to drive the subject up the political agenda to where it rightly deserves to be.

I also regret the absence from this debate of David Taylor. I know that he would have been here to contribute, as he always did on these issues. He was a well-respected and assiduous member of the all-party group that I chair, and he will be missed in this debate, as he will be in many others.

The numbers that we discuss whenever we talk about dementia are staggering. Hundreds of thousands are affected now, millions will be affected in the future and billions are being spent on the treatment and management of dementia at the moment; it is possible to become immune to those numbers and to forget the scale of the challenge that we face. However, some numbers still have the capacity to shock. The review of anti-psychotic medication undertaken by Professor Sube Banerjee recently reported to the Government and is, I think, one document that contains such figures. To know, as we stated in the all-party group's report on this subject some time back, that there is a substantial degree of over-prescription of anti-psychotics among people with dementia is one thing, but to hear from Professor Banerjee that he thinks that some 140,000 people are wrongly on those drugs—the deleterious effects of which have already been discussed in the debate—and that, worse yet, an additional 1,800 deaths a year result from that excessive prescription, as do 1,600 or so strokes and the like, truly, in my view, puts this scandal into its proper context and underlines the need for action.

I, like others, welcome the appointment of a national clinical director in dementia. That is a positive move forward, and I hope that the Minister will confirm that one of that clinical director's first priorities in office will be to address this serious issue. One suggestion from Professor Banerjee to deal with the trouble caused by the over-prescription of anti-psychotics is to address the fundamental issue of training. The Minister knows,

not least from the other report produced by my all-party group, how strongly I feel about that subject and how central it is to the issues of dementia care in general. I shall not dwell on it now—I do not have time—but I simply repeat a request that I have made to him in the past, which is that he should keep it very much at the forefront of his mind, that we should set up substantive mechanisms to ensure that qualifications are available for those in the caring profession, that career paths should be set out in specialist dementia care and that everybody who has contact with those with dementia, which includes a large number of people across a variety of fields, has some understanding of the condition that is being dealt with.

I concede that training features as part of the national dementia strategy. I repeat my welcome for the strategy, as it is a very positive move forward and contains a great deal that needs to be done. The Secretary of State was right to say that we should not expect everything to be done by now, less than a year into a five-year strategy. I accept that it will take time to complete, and the Government have been right to say repeatedly that dementia is a priority for them. It is a national and a Government priority, but in this debate we should ask what that means. For example, does that mean that more money will be made available for researching a condition that has become a Government priority? As others have said, it is not apparent that that is what it means. The level of research has not increased at all, let alone dramatically. Greater priority should be given to dementia research; if it is not, we will not be able to address that widespread problem in a fundamental way or start to reduce the costs to the Exchequer that it incurs.

Does a Government priority on dementia mean that the Government will take action more quickly, or that they will radically change the operation of the relevant systems in the fields of health and social care? Does it mean that the Government will spend substantial amounts of new money specifically on this priority? I regret to say that I do not think that the evidence suggests that making dementia a Government priority means any of those three things, as I shall briefly explain.

First, have the Government been quick to set our their response to the challenge? Although I welcome the national dementia strategy, it was promised repeatedly—from August 2007 right up to its publication in February 2009. An implementation plan, with any significant detail came only later still. I have said that the review of anti-psychotic drugs is welcome and important, but it was originally promised a long time before the strategy. The review was finally published on 12 November of last year, some seven months after the strategy was published and some two years after it was originally promised. Those delays do not have the hallmark of action that is a Government priority.

Secondly, has making dementia a Government priority initiated radical change in how this country's health and social services are run? The context is important here. This is a Government who set considerable store by central control. They set targets that they consider important, and which those delivering services must meet.

Earlier, the Secretary of State said that the Opposition cannot have it both ways, but neither can he. If the Government believe that that is how the health service and social services should operate—with a great degree of central control exerted by means of the levers attributed to Whitehall—then they cannot simultaneously refuse to pull those levers and make something happen, saying that doing so is not their department.

Reference has been made to the NHS operating framework, the mechanism by which the Government communicate their priorities for the NHS. Due to the delays that I have described in bringing the dementia strategy forward in the first place, the Government missed the boat entirely in the operating frameworks for 2008-09 and 2009-10.

As we have discussed, those frameworks set out three tiers of priorities for the NHS—the things that all PCTs must do, national priorities for local delivery and priorities to be set locally. Dementia is not mentioned specifically or substantively in any of those tiers. Worse still, the 2009-10 framework published in December 2008—before the strategy was published, but after the substantive work that there must have been to enable the Government to know what they were seeking to achieve—stated that there would be no new national targets in the NHS until the next spending review. We are, of course, still waiting for that review. Even in the 2010-11 version of the framework that was published in 2009, there is only a brief reference to dementia, and that was about the improved outcomes and efficiencies to be gained by early diagnosis of the condition.

It is not true either that GPs, as part of the NHS, are being asked to do a great deal of specific work on dementia. The existing qualities and outcomes framework has only two criteria relating to dementia, and they are about maintaining a register and having 15-monthly reviews. I accept that those criteria are important, but they are not as fundamental as perhaps they should be. That is a good Government priority, and it is a substantial issue that should be addressed, but there is not much evidence of their doing so in the control mechanisms that they have put in place for the NHS. There is no evidence of a speedy response or of significant changes in the systems that deliver care.

What about the money? Have the Government given substantial extra resources to those who deliver care and said that those resources must be spent on the new priority of dementia care? Again, the answer is no. There is no ring-fencing, and there is no reporting requirement for PCTs to tell the Government whether, in fact, they have spent the £150 million allocated over two years across the country on dementia care. We must ask, in all common sense, how confident we can be that cash-strapped primary care trusts facing an array of different Government targets are necessarily going to spend all that money on dementia care. We have to wait for the Government's audit to find out, but I am not immensely optimistic.

If the Government priority does not mean urgent action, if it does not mean substantially changing the systems, and if it does not mean substantially increasing the resources allocated specifically to the problem, what on earth does it mean? The danger is that the Government have set up tremendous expectations by rightly isolating dementia as a huge challenge that we must confront. If a Government priority is nothing more than a soundbite, and if a national dementia strategy is nothing more than a title, we run the risk of not only disappointing the hundreds of thousands of people with dementia

[Jeremy Wright]

now, their carers and the people who love them, but disappointing millions more in future and failing to face up to the challenge that we must face up to in the next few years. If the Government, who are running out of time, are unwilling to take on the challenge and take the necessary action, I fear that it will fall to the next Government to do so.

3.41 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): It is a pleasure and privilege to follow my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright).

Let us be clear about one thing. When we talk about dementia, we are effectively talking about people who have given the best years of their life to contribute to society and to make sure that the rest of us are in a better position than they were when they were living active lives. It is only right and proper that we, in turn, should look after them and treat them with the dignity and respect that they deserve. Sadly, however, that is not always the case. In fact, analysis shows that Britain is in the bottom third of European countries for diagnosis and treatment of dementia—below almost all northern and western European nations.

There are a number of reasons for that, including the stigma attached to dementia. It is not right that in the 21st century people should still be afraid to admit that they have dementia or that they have relatives with dementia. I was pleased that the Secretary of State said that there is going to be a publicity campaign to highlight the issue of dementia, and to reduce the stigma attached to it. I very much hope that it will highlight the early warning signs—for example, confusion, forgetfulness, problems with speech and so on. If someone thinks that they have those symptoms, they might take advice, and go and see a doctor.

Early diagnosis is a good way of dealing with the problem, and we have heard a great deal about the need for specialist doctors and other medical professionals to provide that. At present, as we have heard, one in three people receive formal diagnosis at any time in their illness. That statistic has simply got to change. We need to ensure that far more people experiencing the onset of dementia know that that is the case, to allow them to plan them for the future, when the illness will undoubtedly become worse. It means that families can become involved, especially in making plans for people who wish to receive care at home. It also enables people to talk to medical experts and social care services.

One of the crucial themes of the debate has been the repeated mention of support for families. May I add my appreciation of the superb work done by hundreds of thousands of family members throughout the country in supporting their loved ones who are suffering? In many cases the care is given at home, which eases the pressure on the social care services—something that is not often commented on. It also ensures that those who are suffering are able to maintain a sense of independence and dignity.

We must recognise that many family members themselves have other problems and illnesses, a point mentioned by the hon. Member for Broxtowe (Dr. Palmer). As well as the pressure of looking after somebody who is suffering, they have to endure the personal pain of seeing a loved one decline. Relatively older people are looking after even older people who are suffering. In many instances, pensioners are looking after their elderly relatives and parents.

Given the importance of the subject, it is worth while considering the Government's record. The Government gave it priority only after receiving a couple of critical reports. In 2007 the King's Fund reported that the scale of dementia in the UK was considerable. The National Audit Office report in July 2007 highlighted the poor diagnosis, poor quality of care, and the disjointed approach taken by health and social care services.

It was only after these reports that the Department of Health could bring itself to admit that dementia should be a priority. That was in 2007, when the Government had been in place and running the administration for 10 years. At that time Age Concern summed up the situation by stating:

"For far too long, vulnerable older people with dementia and their families have been treated as second-class citizens".

It took a further two years for the Government to produce their national dementia strategy—10 years to recognise that the matter deserved priority, and a further two years to produce a strategy.

What is the position a year on? The report issued less than two weeks ago by the National Audit Office was anything but complimentary. It spoke of local leadership for improving dementia care still not being in place. It said that most primary care trusts and local authorities were still awaiting guidance from the Department of Health before beginning their baseline reviews of dementia needs and services. The Alzheimer's Society has commented that a third of GPs still lack confidence in diagnosing dementia, and that nurses have so far received no information on the Government's strategy. Indeed, dementia is not included in the nurses' core subjects when they are training. Yet the Labour party, in its 1997 manifesto, spoke of ensuring that the views of pensioners would be heard, and said:

"Everyone is entitled to dignity in retirement."

I conclude by adding my praise of the Alzheimer's Society, Age Concern, Help the Aged and the many other similar charities and organisations that continue to do such sterling work.

3.48 pm

Anne Milton (Guildford) (Con): Some 700,000 people have been diagnosed with dementia, although there may be many more undiagnosed. That figure will rise to 1.4 million in the next 30 years, and includes one in 14 people over the age of 65, rising to one in six over the age of 80, and predicted to rise further. One way or another, dementia touches the lives of half the population, with close friends or family suffering the effects.

We have heard a great deal this afternoon about the importance of early diagnosis, early treatment and intervention, and proper and effective support for the person with dementia and for those caring for people with dementia. Rehabilitation has not been mentioned much in the debate, but it is extremely important for those with dementia to be able to carry on and be as active as they can. All these aspects are vital, but what is needed is more than a strategy, although that would be welcome. Effective implementation is needed, which I do not believe the Government truly understand.

I was a bit disappointed that the Secretary of State took the debate at such an early stage into party politics—*[Interruption.]* No, it was he who mentioned it first. He confused priorities with targets, but we do not need targets; we need outcomes. We need implementation that will make a real difference to people's lives—implementation that improves the outcomes for people suffering from dementia.

I was also surprised and very disappointed, actually, to hear the truly scurrilous remarks and unfounded allegations about an influence on our policy making. There is no such influence, and no conflict or possibility of conflict; everything that we do is open and fully disclosed. The hon. Member for Bassetlaw (John Mann) is no longer in his seat, but before he throws stones across the House, he should more appropriately ask his own Government about the money that independent sector treatment centres received for not doing operations.

I pay tribute to my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright), who has made not only a valuable contribution today but a significant impact in raising awareness of dementia through the all-party group on dementia and his interventions in many other debates. The hon. Member for Broxtowe (Dr. Palmer) shared his very personal experiences, and his concluding remarks about a continuous spectrum of care and treatment were apt and particularly pertinent.

My hon. Friend the Member for East Devon (Mr. Swire) mentioned, in particular, the needs of carers and the hidden carers, including our child carers, who are often forgotten in the debate. My hon. Friend the Member for North-West Cambridgeshire (Mr. Vara), whose contribution was sadly cut so short, rightly spoke of the need to treat people with dignity and respect, and I pay tribute also to the hon. Member for Bridgend (Mrs. Moon), who made a number of insightful points. My hon. Friend the Member for Bosworth (David Tredinnick) raised a number of issues that are important to many of his constituents, not least his concerns about the funding shortfall for his local authority.

The National Audit Office report said that £8.2 billion has been spent inefficiently on dementia care every year. It found that although some steps had been taken and some improvements made, much more needed to be done to improve care and save literally millions of pounds. It found also that more than half of GPs surveyed had not had adequate training, and that one third remain unconfident about diagnosing dementia. Only one in five said that a senior clinician had taken the lead for improving dementia services in their hospital; and only 15 per cent. of psychiatrists said that their primary care trust had invested extra funds in the service.

Nurses, the report continued, received no information on the strategy; joined-up health and social care working is patchy; people who are admitted to hospital increasingly have longer stays and end up in residential care prematurely; only two strategic health authorities are actively working with the care home sector; there has been no improvement in GP knowledge and awareness in the past five years; dementia is not included in the core requirements for nursing degrees; it is not a priority in the 2010-11 operating framework; and it is not part of a national set of priorities against which the performance of organisations has been measured.

The fact that literally billions of pounds is spent inefficiently is truly appalling, and never has there been a greater need to ensure that all money is spent effectively and efficiently, and that above all else it is directed to and centred on the people who need the care. In the meantime, as my hon. Friend the Member for Leeds, North-West (Greg Mulholland) pointed out—

Rob Marris: Friend?

Anne Milton: The hon. Member, perhaps I should have said. The savings made from families, friends and charities, who deliver probably the majority of care, are huge, and I pay tribute to those charities and carers—the unsung heroes in our communities—without whom the care of people with dementia would surely suffer.

We are still not clear about where all the funding will come from. In their briefing for this debate, Age Concern and Help the Aged state that the Government's Green Paper is

"worryingly vague...leaving many frail and disabled people anxious about the future of the benefit."

As for the carers strategy, as my hon. Friend the Member for Eddisbury (Mr. O'Brien) said, £50 million given out for respite care never reached the front line. Despite many good words in the dementia strategy, we still do not know where three quarters of the £1.9 billion is coming from. We in this House need to know, older people and their carers need to know, and the public need to know. The National Audit Office pointed out that even in the costings that we have there are still no comprehensive data on what dementia services will cost. Perhaps the Minister will tell us when the updated impact assessment will be published.

We have heard a lot about drug treatment and anti-psychotics. More than a decade ago, the Royal College of Physicians warned that too many people in care were spending their final months and years in a state of suspended consciousness, occupying a half world and waiting for death to come. It highlighted the use of the liquid cosh to keep older people with challenging behaviour easy to manage by using high doses of anti-psychotic drugs. That was unacceptable 10 years ago, and it is unacceptable today. There is clearly a need for increased training and awareness of the use of these drugs and, perhaps more appropriately, their misuse.

Malnutrition has also been mentioned, and we have recently seen the appalling scandals with people literally starving, and tube feeding being used in care homes. In 2007, the *Nursing Times* reported that nine in 10 of the 4,000 nurses it polled said that they were forced to take on increasing administrative work. The nurse of the year resigned in anger at the time wasted on NHS bureaucracy, talking about layer upon layer of red tape. Without a doubt, there are training needs, but there is also, never more than now, a need to allow nurses to nurse and look after the people in their care. Nurses and care staff need training, but they also need time to look after people's nutrition.

Many older people with dementia end up spending much of their time in a combination of care settings—in acute hospitals, and in community hospitals where they still exist—being looked after by a wide variety of nursing staff and care staff, as well as in their own homes. Ferguson wrote:

"This morning I would ask you to look with me at that no-man's land between Hospital and community. For most people Hospital care is not more than an episode, albeit an important

[Anne Milton]

one, in a much longer chain of events and Hospital care must be viewed, not in isolation, but as an integral and closely integrated part of health and social care."

That was said in 1967, and those words hold good today. We need integrated health and social care delivered as part of a chain of events; no more inappropriate use of anti-psychotic drugs; time for nurses to nurse, freed from the burden of paperwork; proper training of staff at every level; proper education to end stigma; recognition of the need for the right levels of research, and how we deliver that; and a clear and unambiguous focus on outcomes. What defines us as a civil society is how we care for and look after older people in our communities.

This has, on the whole, been an excellent debate. Although at this time party politics boils to the surface, the solutions lie in a consensus and in having the right policies and strategies that deliver the very best outcomes and the very highest standards of care for some of the most vulnerable people in our society. I urge all Members in all parts of the House to cast aside party politics and support the motion.

3.59 pm

The Minister of State, Department of Health (Phil Hope): A few months ago, I visited a new memory clinic in south London that is an outstanding example of what our dementia strategy is all about. While I was there, I spoke to a married couple. The wife had been diagnosed with dementia and the husband was looking after her. They told me how they felt relief at finally getting the diagnosis and an explanation for what was happening to them, and said that since then, they had been more active and doing more things together than they had ever done. They were playing a fuller part in their community and seeing more of their family. The picture that they painted was of a couple living well with dementia, not dying of it. They had the knowledge and support that they needed to enjoy a good quality of life—life with a zing—and they were making the most of it.

Thinking about that couple, I am pleased that Members such as my hon. Friend the Member for Broxtowe (Dr. Palmer) and my hon. Friend the Member for Bridgend (Mrs. Moon) talked eloquently about those living with dementia. They painted a picture not of inexorable decline but of people being able to live well and die well with dementia when the time comes.

To find the right response to the challenges that exist, including the demographic challenges, we must start with the right attitude. We must open our arms to an ageing society, not wring our hands. We need to be positive about how we can help older people not simply to get by, but to flourish and live full lives in times of both health and illness.

The title of the Conservative motion, with its reference to "the elderly", sums up how far the Opposition have to go in their thinking. It is a label that conjures up a stereotype of decline and dependency. In contrast, we are optimistic about what older people can do and what we can do for older people. We see an ageing society as a challenge, but also as a massive opportunity. It comes down to four things. First, we need better general support for all older people, so that they can enjoy their lives to the full. Secondly, we need more targeted support, allowing older people to live well and to live longer in their own homes if they become frail or unwell. Thirdly, we need stronger health and care services so that older people are safe and well supported. Fourthly, we need a deeper cultural change across public services and society at large, so that people are viewed as an asset and treated with dignity and respect.

As a Government, we have made it a priority to provide additional support to every older person. Other Members have not mentioned this, but we must not forget the entitlement to a free national bus pass and free sight tests, or the winter fuel payments to help older people, particularly in the winter that we are experiencing. There is also extra help with pension tax credits. We are banning age discrimination in health and social care and building a society for all ages. We have appointed a new national clinical director not just for dementia but for older people, Professor David Oliver, a leader in older people's health care who knows how public services work. His influence will be critical in enabling us to ensure that all older people get the services that they need as individuals.

We have debated in the House free personal care for people living at home with the greatest needs. It must be a shared view throughout the House that older people must be supported to live well and live longer in their own homes. Our work on prevention has been hugely successful, and we have seen best practice on matters such as preventing older people from falling over and getting fractures and improving access to services such as affordable foot care. There has been new guidance on intermediate care and new support for services such as audiology and telecare. Research has now proved that if we put a pound into prevention, to provide people with help in their own homes, we save £1.20 in acute care by reducing the number of people going into it.

Our Personal Care at Home Bill will provide extra help to keep older people with the highest personal care needs in their own homes, and it has been widely accepted. It went through this House without opposition on both Second and Third Reading, and it is now to be debated in the House of Lords. It means that people who have had to run down their savings to be looked after in their own homes can now look forward to having the peace of mind of not worrying about whether they can pay for their care when they are at their highest level of need.

Today, we have debated the dementia strategy—a national strategy, with an implementation plan, headed by our new national clinical director for dementia, Professor Alistair Burns. Our regional deputy directors oversee the strategy's delivery locally, and guidance for local commissioners has also been published, as our clinical director audits the services that are being delivered, including local memory clinics, memory centres and memory services.

Mr. Hoyle: I am pleased that my hon. Friend mentions memory clinics or surgeries. He will be pleased to know that the Tory candidate in Chorley is gathering signatures in support of the Labour Government's proposals. What does he think about that?

Phil Hope: I am always pleased when Conservative candidates campaign for Labour policies, but I would tell voters in Chorley to get the real thing and vote Labour, which designed and will deliver the policy in the years to come.

It is a Government priority to deliver our national dementia strategy. It was interesting that when Conservative Front Benchers were challenged about their criticism of us for not giving it priority, their promise to make it a priority disappeared within almost two minutes of its being announced at the Dispatch Box. They will not make it a target or a vital sign. They will not put it in the national operating framework or mandate it locally; their words are exactly what we expected—pure fluff. They are all spin and no substance—no change there. What did they say on the airbrushed poster about support for the NHS? We have seen some airbrushing today.

Mr. Andrew Lansley (South Cambridgeshire) (Con): The Minister is currently responsible for the dementia strategy; I hope that we will be responsible in future. For now, the question to him is why the operating framework, which was published last month, did not mention the dementia strategy in the national priorities for local delivery. It is not even mentioned in the vital signs. Even if were a matter simply of saying, "We've given the PCTs the money; it is a national priority to do something with it", why did not the Minister get anything into the national priorities for local delivery?

Phil Hope: It is good to see the hon. Gentleman taking part in the debate; we thought he had decided to leave us for a while. Of course, the strategy is in the national operating framework—it was in last year's and it is in this year's. Given that he aspires to be Secretary of State for Health, he should answer a couple of questions. How many meetings has he had with Nurses for Reform, which would like to privatise the NHS? We know that the Leader of the Opposition has held such meetings. Would the hon. Gentleman like to tell us whether he has done so? No, he will not stand up and reply. He has received donations—questions have been asked about that and a conflict of interest today. We have heard Conservative Members claiming that there is no conflict of interest. If that is true—*[Interruption.]*

Mr. Vara: On a point of order, Madam Deputy Speaker. When contributions were mentioned earlier in the debate, the Speaker was in the Chair and the Minister was in his place and listening. The Speaker specifically advised that such issues should be referred to the Parliamentary Commissioner for Standards and not brought up on the Floor of the House. Will you kindly advise me on what should be done when a Minister, who heard that, ignores the Speaker's comments in the same debate?

Madam Deputy Speaker (Sylvia Heal): I was aware of the earlier point of order and accusations. For the benefit of Members, I will repeat Mr. Speaker's response because that is probably the most appropriate thing to do.

Mr. Stephen O'Brien: The Minister should withdraw his comments.

Madam Deputy Speaker: Order. I shall repeat the ruling that Mr. Speaker made earlier in the debate. He said:

"I am grateful to the hon. Gentleman for his point of order. I will respond as follows, and I hope this is helpful to the House.

First, of course, responsibility for the registration of interests rests with individual Members. Secondly—I listened very carefully to what the hon. Gentleman said—if any Member has anxieties or is discontented about the conduct of another Member, the Member who is dissatisfied should complain to the Parliamentary Commissioner for Standards. At this very tense and competitive time, I should hope that Members would not air these matters on the Floor of the House when they are matters not for the Chair, but for the Registrar of Members' Interests and the Parliamentary Commissioner for Standards."

I repeat that for the benefit of all Members.

Phil Hope: Thank you, Madam Deputy Speaker. Other questions were raised about points of detail. The hon. Member for Rugby and Kenilworth (Jeremy Wright) spoke of the importance of research into dementia. I can assure him that with a £1 billion forecast spend in 2010-11, assuming this Government are returned to spend that cash, I have funded a research network, and we want better bids for research funding for the benefit of research.

Rob Marris: Speaking of the Leader of the Opposition, does my hon. Friend agree that a politician who puts out photographs that have been airbrushed to remove the wrinkles of age shows contempt for older people?

Phil Hope: Airbrushing a face is one thing, but airbrushing policies is another.

Madam Deputy Speaker: Order. Perhaps the Minister would like to respond to the debate rather than that intervention.

Phil Hope: Madam Deputy Speaker, I was talking about dementia research when I was intervened on, but I take your guidance.

On the use of anti-psychotic drugs, I can confirm to the House that over-prescription of such drugs is unacceptable. The review of those drugs that I commissioned was comprehensive in taking things forward. I can confirm that the national clinical director for dementia will oversee matters, ensuring that every PCT sets targets for reducing the use of those anti-psychotic drugs. We must improve the way we look after people with dementia.

It is vital that we treat people with dignity and respect. I am delighted to say that we have a social movement of more than 12,000 dignity champions taking forward—from the bottom up, not just from the top down—the needs and values of, and support for, older people. As we move towards a national care and support service, we have a clear choice. On the one hand, we could retreat to the traditional views of care, and the old models and assumptions about the elderly, and to lumping older people into the same old box, not treating them as individuals, offering no alternative but to go into a care home, and making no real effort to keep people independent; or we could choose a different future, in which age is valued and not dismissed—

Mr. John Baron (Billericay) (Con) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Question put accordingly (Standing Order No. 31(2)), That the original words stand part of the Question.

The House divided: Ayes 162, Noes 275.

Division No. 63] **[4.12 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Howell, John
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Maples, Mr. John
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Willis, Mr. Phil
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Stephen Crabb and Bill Wiggin

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Dhanda, Mr. Parmjit
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai

Healey, rh John
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Williams, Hywel
Willis, Mr. Phil
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Younger-Ross, Richard

Tellers for the Noes:
Mark Tami and
Mr. Bob Blizzard

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)), That the proposed words be there added.

Question agreed to.

Main Question, as amended, put and agreed to.

Resolved,

That this House wishes to see the quality of life improve for the 700,000 people in the UK with dementia; pays tribute to their families and carers and all those who campaign and fundraise for dementia charities; welcomes the Dementia Strategy launched in 2009 which contains a programme of work to transform services for those with dementia over five years and is backed by funding of £150 million over two years; notes that the Government will shortly publish the report of the Nutrition Action Plan Delivery Board; rejects the use of tube feeding on any grounds other than clinical need; welcomes the independent clinical review of anti-psychotic drugs which contains recommendations for the reduction in the use of these drugs for people with dementia; further welcomes the appointment of a National Clinical Director for dementia to promote better care and provide leadership for the implementation of the strategy; welcomes the creation of a Ministerial group to develop dementia research; recognises that the enactment of the Personal Care at Home Bill will help some 400,000 people with the highest need; supports the Government's proposals to create the National Care Service, the first national, universal, entitlement-based system for care and support in England; and acknowledges that the Government's Dignity in Care campaign is working to engage local people in a social movement and to put dignity of those in care at the heart of services.

Out-of-Hours Care

Madam Deputy Speaker (Sylvia Heal): I inform the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

Before we start the debate, I should remind the House that an inquest is still taking place into the death of Mr. David Gray and the role in that death of Dr. Daniel Ubani. The House's sub judice rule prevents us from debating the matters awaiting decision in the courts. There must, therefore, be no direct reference to that particular case this afternoon. When the inquest is over, there will be opportunities for Members to raise the issue and the lessons learned in the House. May I also advise the House that an eight-minute time limit will be imposed on Back-Bench contributions?

4.27 pm

Mark Simmonds (Boston and Skegness) (Con): I beg to move,

That this House supports family doctors as the bedrock of healthcare services in the NHS; recognises the need for high-quality out-of-hours care; believes in simpler, reliable access to urgent care and primary care on a 24 hours a day, seven days a week basis; regrets that the Government's 2004 GP contract has not achieved this and has in many places divorced GPs from the service provided to their patients; is concerned that services are variable and the burden on accident and emergency services has increased as a result; is deeply concerned by failures in the out-of-hours system; calls on the Government to allow GPs to take responsibility for commissioning of both out-of-hours care and urgent care services; and further calls on the Government to publish its report on out-of-hours services which has been submitted to the Department of Health.

Let me start by thanking you, Madam Deputy Speaker, for that statement. We are all keen to learn the lessons of the inquest and we await the results with interest.

It is important that the House understands how we have arrived at the current structure of out-of-hours care, which is at best patchy and has been described by the Public Accounts Committee as "shambolic". In 2004, the Government renegotiated the GP contract and effectively allowed 90 per cent. of GPs to opt out of providing out-of-hours care. It has become clear that the Government mismanaged the contract, which passed responsibility for commissioning out-of-hours care to primary care trusts, away from general practitioners. That has undoubtedly undermined patient care and safety in some areas.

Out-of-hours and urgent care are valuable and vital services. Out-of-hours care alone is used by 9 million people in England every year. Such services provide essential health care between 6.30 pm and 8 am, and at weekends and on bank holidays for people who require medical advice and assistance, but are not so unwell as to require a visit to accident and emergency. The current system in England, which is commissioned by primary care trusts, has led to huge variations, enormous disparities in compliance and significant cost differences. The system is three times more expensive in some areas than in others, but most importantly, there are enormous variations in the quality of patient care. The most obvious and clear difference is that where local GPs are involved in the provision of out-of-hours care, the service is significantly better.

Hon. Members may think that some of the problems are recent, but there have been failings in the Government's out-of-hours system since 2004. Only 9 per cent. of contracts were in place when the service began. Only 39 per cent. of PCTs ran a competitive tendering process to award contracts and, most concerning of all, failures in out-of-hours services have contributed to otherwise preventable deaths, including that of Penny Campbell in 2005. The House will recall that after that terrible tragedy the Prime Minister said that the NHS must

"do better in the future,"

and that round the clock care had to improve, yet there is still no evidence of widespread improvement and in some areas the service is still very poor, as we have recently witnessed.

Additionally, at the inquest into Miss Campbell's death the coroner found that lack of access to patient notes had contributed to her death. The then Health Minister—now the Secretary of State for Culture, Media and Sport—asked all primary care trusts to review their arrangements for the transfer of information between clinicians, to ensure patient safety and continuity of care. It is my understanding that the review has still not been implemented and that many out-of-hours doctors cannot access patient records. It would be helpful if the Minister could confirm what has happened to the review.

There is growing concern about the quality of out-of-hours care in many parts of the country, as is demonstrated by the increased number of complaints about the out-of-hours service and the increasing dissatisfaction of patients. The Medical Defence Union recently calculated that there has been a 50 per cent. increase in complaints related to out-of-hours consultations, notified by its GP members.

However, the Minister may be pleased to hear that I am mildly encouraged by the fact that the groundswell of concern has led to some action. I understand that the Care Quality Commission is undertaking a review of out-of-hours services, focusing on areas where specific cases have been raised. Early evidence from the inquiry suggests that although primary care trusts monitor response times for out-of-hours services, they do not routinely monitor the quality of care provided or delivery against contractual requirements. It is clear that not all PCTs are aware of the level of service being provided, and in many cases contracts are not routinely monitored, reviewed or robustly assessed. Surely, there should be rigorous monitoring everywhere, looking at the quality of clinical decisions, the efficiency of call handling, and the adequacy of staffing and of doctors' training, as well as the all-important patient outcomes.

In the vast majority of cases, the contracts were built to national frameworks and were not designed to fit existing services, such as minor injury units, nor to meet the specific needs of local populations. For example, in rural Lincolnshire, where my constituency is, the needs are very different from those in central Birmingham, where I was discussing this very issue with local GPs last week.

Not only does the local quality of out-of-hours service provision vary around the country, the cost varies significantly, too. Of course, it needs to be recognised that the provision of those services is likely to be more costly in rural areas, but there seems to be no correlation between cost and rurality and cost and quality, despite

costs per patient varying threefold. In 2007, the Select Committee on Health concluded that if every PCT provided its service at the same cost as the most effective service with similar characteristics, £134 million could be saved, which could then be reinvested elsewhere in front-line patient care.

Sir Alan Beith (Berwick-upon-Tweed) (LD): The hon. Gentleman recognises that it often costs more to provide those services in rural areas. Does he share my experience? In my area, we have to obtain doctors from a location more than 60 miles away. That is the situation after midnight in north Northumberland and it is simply not acceptable.

Mark Simmonds: I am grateful to the right hon. Gentleman for that intervention. He is absolutely right. There are similar issues in my Lincolnshire constituency. The most recent case relating to his experience that has come to light in the media was in Suffolk, where after midnight a population of 600,000 is covered by only two GPs. That is not acceptable—it is not the service the public in England expect.

Dr. Andrew Murrison (Westbury) (Con): Does my hon. Friend share my concern about the pressure that this problem can place on casualty departments? They are likely to receive default patients, as it were, who have failed to get adequate primary care services because of the difficulties with out-of-hours cover. They are also likely to have patients referred to them by locums who are not as familiar with local health care facilities as the local GPs. That is placing a great burden on many of our casualty departments, and they are facing a particular problem with elderly, vulnerable and chronically ill people, who really should not be sent to acute hospitals at all, if that can be avoided.

Mark Simmonds: My hon. Friend makes a very good point. He is absolutely right to say that there needs to be more co-ordinated and aligned commissioning by GPs to avoid these problems. I shall say a little more in a moment about the additional pressure being put on to accident and emergency units since the 2004 contract and the reconfiguration of out-of-hours services.

Dr. Howard Stoate (Dartford) (Lab): I am listening with interest to the hon. Gentleman. As he knows, I am a practising GP. A matter of great interest to me is that of access to medical records out of hours. The situation is currently extremely difficult, because many practices use different types of software, which cannot "talk" to each other or to the outside world. How does he envisage that problem being solved? The obvious way is through the NHS Spine system and the use of summary care records, but what does he think is the best way of ensuring that the out-of-hours service has access to patient records?

Mark Simmonds: The hon. Gentleman is right to say that there needs to be much more co-ordination and co-operation on the flow of information. The review instigated by the then Minister of State into the terrible tragedy in 2004 does not seem to have been implemented. We need to ensure that there is a cross-flow of information, so that similar tragedies cannot happen in the future. I believe that some of the solutions that I will outline later will help to alleviate some of the concerns that the hon. Gentleman has, both as a practising GP and as a Member of Parliament.

Increasing concern is being voiced about primary care trusts' over-reliance on foreign doctors, who might not be familiar with British working practices or have the necessary language and communications to undertake the jobs safely. It is currently possible for a foreign doctor to pass a language test in one primary care trust even though they have no intention of working there, then to transfer to another PCT without a second test being taken. There is no standardised English and communications test for doctors from the European economic area who want to work in England; nor is there a mechanism for identifying those who have failed a test. That can result in EEA doctors providing out-of-hours cover in the UK without having undergone any testing in the area in which they are practising.

This is not new, however. The Government have been consistently warned about the increasing number of failures in the out-of-hours system. In 2000, the independent Carson review of GP out-of-hours cover—the bedrock of the reforms that the Government put in place in 2004—outlined the principle that out-of-hours services should meet patient needs and not be used simply as a holding bay until the GP practice reopens. Too often, however, that is exactly what happens.

In 2004, the Health Committee voiced its concern that many PCTs did not have the skills to commission services. It warned that GPs should not become disengaged from out-of-hours services, yet that is exactly what has happened. The Committee also highlighted the concern that, if out-of-hours cover were withdrawn or changed, or if access to it became more difficult, demand for urgent care would increase in other parts of the system, such as accident and emergency. That is exactly what has happened. Attendances at accident and emergency departments have risen by 10 per cent. in the past four years alone.

In 2006, an investigation by the National Audit Office found that most out-of-hours providers were not meeting all the national quality requirements, particularly on speed of response. That is continuing to happen. It was recently reported that only 6 per cent. of PCTs were assessing out-of-hours calls quickly and safely within the benchmark period of 20 minutes. In 2007, a further Health Committee report commented that

"inadequate performance measurement means that some Primary Care Trusts do not know how good a service they are providing for their patients".

That is still the case: some PCTs are still not monitoring their out-of-hours providers' performance or reviewing the service regularly.

Most recently, the CQC, in its preliminary observations from its investigation into a specific provider, identified that trusts do not routinely look in detail at the quality of the care. The CQC also found that primary care trusts have not had a consistent approach to the inclusion of doctors on the performance list, which may have led to some of the problems under discussion. If I have time, I will return to that theme later.

That is a damning list of warning signals, which have not been resolved. There is, however, a solution to the problem. A growing consensus exists on what needs to be done to tackle the problem. The Government appear

[Mark Simmonds]

to be becoming isolated and alone in not recognising the solution to what is, bluntly, currently a mess. Clearly, the Government made a serious error by removing GPs from responsibility for out-of-hours care. We must urgently review the whole system, as well as returning responsibility for commissioning the service to GPs. That will rebuild the link between GPs and out-of-hours services and result in better co-ordination of primary care services.

The GP-patient relationship is vital for the performance of the national health service and for improving patient care and outcomes. The Opposition are not advocating a return to a Dr. Finlay style of medicine, with GPs being responsible for their patient list around the clock. However, we recognise that GPs are closest to the communities and patients they serve and are therefore best placed to lead commissioning for a service that best meets patients' needs.

Mr. Mark Todd (South Derbyshire) (Lab): May I draw the hon. Gentleman's attention to the letter from Dr. Laurence Buckman of the British Medical Association, which is reproduced in the Library pack for this debate? Dr. Buckman's solution is not the one that the hon. Gentleman has just outlined. Does he differ from the BMA on its approach to the problem?

Mark Simmonds: I will come to a comment from the BMA in a moment, but the hon. Gentleman should be cautious: he will be aware that the gentleman to whom he has referred has recently been quoted as saying that the prevalent view among GPs is that the Labour party is the enemy of the NHS. I hope to have an informed debate about out-of-hours care this afternoon, to ensure that Ministers in the Department of Health understand the seriousness of the failings currently occurring.

Norman Lamb (North Norfolk) (LD): I agree with much of what the hon. Gentleman has said about how the system works at present, but what makes him feel that the approach that he advocates will be different and qualitatively better than what existed before 2004? There were serious concerns about how it operated then, and those concerns led to a movement for reform of the system.

Mark Simmonds: The fundamental difference between what we propose and what happened before 2004 is that we do not necessarily advocate compelling GPs to be responsible for caring for their patients 24 hours a day, seven days a week. What we are advocating, and what we believe is essential if we are to improve out-of-hours and urgent care, is the vital role of GPs in commissioning such services, in which far too often they are not involved at present. There is a direct correlation between excellent and good out-of-hours provision and the involvement of GPs in providing the service, which they should clearly be allowed to do if they so wish. Sadly, some of the tragedies in the recent past occurred when GPs were not involved in such provision.

Mr. Todd: May I ask the hon. Gentleman, I hope helpfully, to distinguish between commissioning and governance in his approach? He wants GPs to commission such services, but I very much doubt whether that is what they want. They very much wish to be involved in the governance of such services, and I would wish that to be one of the outcomes of any examination of the service review.

Mark Simmonds: I am grateful for that intervention, but I disagree with the hon. Gentleman. I travel extensively around England to have discussions with GPs and I have encountered genuine enthusiasm for the control of real budgets for commissioning not only out-of-hours care and urgent care, but a wider range of services on behalf of their patient groups. There is no doubt in our minds that the GP-patient relationship is key, that GPs most understand the patients for whom they are responsible and that GPs are, therefore, much better placed to commission their services than primary care trusts.

Norman Lamb: I wish to pursue the point that I raised a little earlier. The hon. Gentleman said that things are different this time because he is talking about commissioning, but I understand that prior to 2004 commissioning was, in effect, being undertaken in many cases; GPs were not providing it directly, but they were making arrangements with other organisations, possibly co-operatives. That arrangement seems similar to what he is proposing now.

Mark Simmonds: We propose that GPs will commission out-of-hours care, but there will certainly not be a compulsion for them to provide that care, unless they have a desire to do so. Prior to 2004, the argument made by GPs and their representatives was that they did not want to provide out-of-hours care because of an issue relating to recruitment into the profession. That argument has gone away, and I detect, from talking to GP representatives and GPs who are practising, a change of view in the past year or 18 months; there is now a recognition that in many parts of the country out-of-hours provision is not working as GPs would desire for their patients and a definite wish to get involved in commissioning. I therefore think that the Conservatives are on exactly the right lines.

As to the solutions, we require not only an urgent review, but the returning of responsibility for commissioning to GPs. That would rebuild the all-important link; as I have said, GPs are much better placed to commission these services, as they understand their patients' needs most. These services should be commissioned alongside other services, such as accident and emergency services and those dealing with minor injuries, to ensure an integrated model for urgent care, which does not exist at the moment.

Mrs. Maria Miller (Basingstoke) (Con): The out-of-hours service in my constituency is delivered in a central location in my local hospital—it is delivered right next to the accident and emergency department. That means that people who could be better served by out-of-hours services can be redirected, thus providing them with better care and, importantly, saving the hospital money. Does my hon. Friend think that that is the sort of model that other areas should be adopting?

Mark Simmonds: It sounds as though an excellent model is being used in my hon. Friend's constituency. We do not think it appropriate to impose from the centre one model to fit across the whole of the country; we think that that is a mistake that this Government

have made. Different local solutions will be provided in different local areas. The important thing is that GPs are involved in commissioning, in ensuring the delivery of service and in ensuring that the service mechanism in place is delivering the best patient outcomes for their particular patient groups

Several hon. Members *rose—*

Mark Simmonds: I will give way a little later, but I wish to make some progress because I know that many other hon. Members wish to speak in this debate.

The Conservative position increasingly seems to be being accepted by many other organisations. The NHS Alliance agrees that GPs are best placed to deliver out-of-hours care and recognises the importance of local responsibility for out-of-hours services. The Royal College of General Practitioners is rightly concerned about the quality of services and has called for a "comprehensive review" of out-of-hours and weekend care and for local GPs to be involved in commissioning. Even the BMA, which was mentioned by the hon. Member for South Derbyshire (Mr. Todd), has said in its briefing for this debate that it believes that local GPs should be involved in commissioning out-of-hours care. We welcome that support, because the current system is unsustainable and is not working consistently everywhere as it should be. It must be clear to the Government that the system requires improvement.

I wish to raise one further issue—the performers list. That list of doctors who are allowed to practise in the UK is maintained by the primary care trusts. There is a need for more stringent checks on the clinical and communication standards of foreign doctors coming to work in the UK. To be fair, the Department of Health produced a very good report early last year entitled "Tackling Concerns Locally: the Performers List system". It is a sensible, well written paper that addresses some of the concerns, but it needs to be implemented—it is not being implemented everywhere.

The Secretary of State and the Ministers need to be aware of the real concerns of the General Medical Council, and I have a couple of quotes that I want to read to the House. The GMC believes

"that the current legal framework is unsatisfactory."

and that

"the current system does not adequately safeguard patient safety."

These are very serious issues that the Department and the ministerial team need to look at urgently.

Mr. Kevin Barron (Rother Valley) (Lab): The hon. Gentleman might know that I spent nine years as a lay member of the GMC. Does he think that if doctors were commissioning treatment for patients, they would have any professional responsibility for what happened to those individuals?

Mark Simmonds: I support the mechanisms that are in place at the moment—the list that the GMC holds and the providers lists for which the primary care trusts are responsible. There have been failings in the past in that when a primary care trust has rejected a particular doctor for a failure, for example, to be able to communicate in English, that information has not been passed on either to other primary care trusts or to the GMC, which would then be able to regulate and to strike that doctor off the list. In the European Union area, when a doctor is suspended in Germany, for example, that information cannot be passed to the GMC or to PCTs in this country.

Mr. Barron: I completely agree with the hon. Gentleman on the issue of English language testing and the need to be able to communicate with patients. However, my question is if a doctor commissions services for a patient, are they professionally responsible for those services?

Mark Simmonds: Clearly, there has to be a professional responsibility for the provision of health care that that doctor has provided, but it must fit a regulatory structure. That is part of what the GMC is there for.

The Government need to make immediate changes to improve out-of-hours and patient care. Primary care trusts must monitor and performance manage their out-of-hours contracts much more robustly to ensure that they are offering a high-quality, cost-effective service to patients. Strategic health authorities must take a more proactive role in assessing and monitoring primary care trusts, out-of-hours contracts and performance management. The national quality guidelines need to be reviewed, as they are too generic and do not allow local services to be tailored to local needs. A system in which GPs lead commissioning would make a significant contribution to addressing that issue. The performers list must be reviewed to ensure greater co-ordination and communication between PCTs and the GMC to alert them to doctors who are not suitably qualified. There must also be much greater encouragement and analysis of patient feedback.

In conclusion, this service is ultimately about patients—patient care, patient outcomes and patient safety. If we are to move to a patient-centric national health service, the level of out-of-hours service provided to the public must, in some areas, improve dramatically and respond to the local needs and requirements of patients. Only if local GPs commission out-of-hours care for their patient groups will patients receive the service they deserve 24 hours a day, seven days a week. If this Government do not act, after the next general election—if we are given the chance—we will.

4.53 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): I beg to move an amendment, to leave out from "NHS" to the end of the Question and add:

"welcomes the improvements in out-of-hours and urgent care services over the last 12 years; notes that the Carson report in 2000 identified the need for the reform of out-of-hours care which was carried out in 2004; further notes that by the start of 2004 only five per cent. of patients saw their own GP out of hours; acknowledges that GP organisations say that they do not want a return to the system which existed in 1997; understands the continuing need to improve the quality of out-of-hours care; notes that the Government commissioned the first national out-of-hours benchmark to help primary care trusts and providers improve the quality and productivity of out-of-hours services and to reduce local variation; recognises the improvement in healthcare after the introduction of the GP contract in 2004, which has significantly extended weekend and evening opening of surgeries for routine, bookable appointments; recognises that over 77 per cent. of GP practices now offer extended opening hours and that every primary care trust is developing a new GP-led health centre, open from 8 am until 8 pm, seven days a week, 365 days a year; and welcomes plans for people who need urgent care to be able to dial 111 for advice 24 hours a day, seven days a week.".

[Mr. Mike O'Brien]

Madam Deputy Speaker, you have already referred to the inquest in relation to two deaths and I am sure that the House will want to join me in sharing our deepest sympathy with the families of those involved. I do not propose to comment any further on these sad matters until the inquest is concluded.

The Government have made some important changes to out-of-hours and urgent care services. I welcome the opportunity to debate them with the House today. Let me make it clear that out-of-hours care is better than it was in 2004, but it clearly needs further reform. Regulation, in particular, needs much more central drive. I shall return to that point, because it is a clear difference between me and the hon. Member for Boston and Skegness (Mark Simmonds), who, in his speech, willed the end but not the means. It is important that we ensure that we have a system that delivers for patients, and that means making sure that there is effective regulation in place.

Before 2004, doctors were responsible for the care of their patients 24 hours a day, but growing demands put that system of out-of-hours care under increasing strain. Most GPs worked on a rota basis in local co-operatives, seeing other doctors' patients. Locums were often employed by practices, and some areas employed private companies.

At the beginning of 2004, about 5 per cent. of GPs provided out-of-hours care for their own patients. We need to be a little cautious about the myths that sometimes surround this matter. The National Audit Office has said that the figures show that the myth that GPs saw only their own patients needs to be challenged. Some of them did that, but the number was relatively small.

Doctors who saw their own or other doctors' patients as part of a rota were sometimes left exhausted the following day. Before 2004, doctors often turned up for home visits or surgeries exhausted and sleep-deprived, thus putting patients at risk. Dr. Laurence Buckman of the British Medical Association said last week that the old system meant many doctors were tired and therefore potentially dangerous to patients, and that it was for that reason that the BMA and the GPs it represents would resist taking back personal responsibility for delivering care out of hours. I shall return to the question of personal responsibility later.

Complaints about the old system were building by 1997. By 2000, the level of complaints from the public led the Government to conclude that the existing model of out-of-hours care was unsustainable. Dr. David Carson was asked to conduct a comprehensive, independent review of out-of-hours services in England. His 22 recommendations, accepted in full by this Government, formed the basis for our 2004 reforms of the GP contract with regard to out-of-hours care. The contract released tired GPs from the burden of out-of-hours care and introduced the quality and outcomes framework to incentivise quality.

The reforms were monitored, both by the Department and independently, in May and July 2006, November 2007, September and November 2008, and September 2009.

Sir Alan Beith: The Minister has described how the Government came to hand over to PCTs the responsibility for commissioning doctors to replace GPs. Where did they think those doctors would come from?

Mr. O'Brien: It was clear that many areas would provide the service through various rotas among doctors' co-operatives, which would be commissioned by the PCT and centrally co-ordinated. Other areas would use companies to provide the services, but in a minority of cases the service would continue to be provided by GPs who wished to opt out of the system and run their own provision. The aim was to ensure a greater degree of co-ordination in the provision of out-of-hours care that would give patients the increased access that they needed.

Sir Alan Beith: But where were the doctors to come from?

Mr. O'Brien: The right hon. Gentleman repeats his question from a sedentary position. Most out-of-hours services are provided by doctors who specialise in them, or by doctors working on a rota basis for co-operatives or private sector organisations. Some of those doctors work during the day, but they are obliged to ensure that they do not get to the level of tiredness that was evident before 2004.

I mentioned that there were various independent and other reviews. The 2006 review of out-of-hours care by the National Audit Office said:

"England is at the forefront of thinking internationally"

on out-of-hours care, and that it

"compares well on cost and quality against the rest of the UK".

In 2008, the Healthcare Commission's report on urgent and emergency care entitled "Not Just a Matter of Time" added:

"There have been significant improvements over recent years in the ... number of out-of-hours GP services meeting national quality requirements."

It went on:

"These achievements have taken place despite the pressure from the significant growth in demand for many of these services."

The spending by PCTs on out-of-hours services has risen from £209 million in 2004 to £378 million last year. It is clear that the quality of out-of-hours care for most people is better than it was in 2004 but in some areas, owing to regulation, it is not yet good enough.

Mr. Andrew Lansley (South Cambridgeshire) (Con): What is the measure?

Mr. O'Brien: The shadow Secretary of State, who has not deigned to lead this important debate, and did not bother to lead the previous one either, insists on chuntering from a sedentary position and asking what the evidence is. If he looks at the evidence in NAO reports and at the reports that we are going to publish in due course, he will see that it is clear that the standard of care has improved, but it still has a long way to go. We have never said—let me make this clear—that the NHS is a perfect organisation. Indeed, only a short time ago, we published a policy statement about going from "good" to "great". In the next five to 10 years, we need to move the NHS from where it was in 1997, when the hon. Member for South Cambridgeshire and his party were responsible for it, and it was on its knees. We have raised it from its knees, and it is standing up. It is good, but it must now become great. There are real issues that we still need to resolve in the NHS, and we are the first to say so.

Mr. Anthony Wright (Great Yarmouth) (Lab): I accept that there have indeed been improvements. Although I disagree fundamentally with the Opposition motion, which is a step backwards, there are particular problems in my area, where Take Care Now failed on two occasions in the last week to deliver a doctor on time. Only on Saturday, a family friend called the out-of-hours service at 9.30 am, but the doctor did not arrive until 5.15 pm. Does my right hon. and learned Friend accept that we need significant improvements in those areas before we can say that we have a very good service? I reiterate that turning the clock back is not the way forward.

Mr. O'Brien: My hon. Friend is quite right—we cannot turn the clock back. We need to improve the quality of care provided by out-of-hours services, and that is what we are committed to do. I do not want to comment on the organisation to which he referred, because there are issues relating to the inquest that is under way. Generally, however, we accept that the way primary care trusts make provision must be improved. I want to discuss levels of control, because the Opposition have suggested that there is a lack of control.

Mr. Todd: Will my right hon. and learned Friend give way?

Mr. O'Brien: If my hon. Friend will forgive me, I need to make progress, as other Members wish to contribute to the debate.

Patients must have confidence in all the medical care they receive, regardless of when, where or from whom they receive it. There are three key levels of control on the quality of GPs. First, the General Medical Council certifies whether someone has the appropriate qualifications. Whether they are a foreign national coming from the EU or otherwise, we must look at how we recognise those qualifications. Secondly, PCTs, which commission NHS providers, have legal obligations under the 2004 regulations to check GPs before they go on the performers list. That is not optional, as I am sure the hon. Member for North Norfolk (Norman Lamb), who will speak next, if you wish him to do so, Madam Deputy Speaker, ought to know. It is a legal requirement, and the National Health Service (Performers List) Regulations 2004 state clearly in regulation 6(1)(e) that the grounds on which a PCT may refuse to include a performer in its performers list include

"any grounds for considering that admitting him to its performers list would be prejudicial to the efficiency of the services, which those included in that list perform."

The regulations also state that a PCT "must" refuse to include a performer on the list if

"it is not satisfied he has the knowledge of English which, in his own interests or those of his patients, is necessary".

Norman Lamb: Can the Minister specify the consequences of breaches of the regulations which allow a doctor to practise, to go on to the performers list and potentially to cause risk to patients?

Mr. O'Brien: If a doctor did not carry the required level of knowledge and the ability to speak English, they could, if they were not competent, be referred to the General Medical Council. That is a professional issue. The GMC is able to deal with it and take action to remove that person's right to practise if that is appropriate. However, there are two other levels of control.

Several hon. Members *rose*—

Mr. O'Brien: It is important that Members understand there is not only the GMC, which was mentioned by the hon. Member for Boston and Skegness, who spoke for the Opposition. The second level of control is the primary care trust which commissions the services. It must put in place robust arrangements to ensure, through the contracts, that out-of-hours services are using GPs who are fit to practise and can deliver appropriate and skilled medical practice, including the ability to speak and understand English.

PCTs were reminded of those duties in the Healthcare Commission's national review of urgent and emergency care in 2008—

Mark Simmonds: Will the Minister give way?

Mr. O'Brien: No. I shall make progress, then I will give way to some people. I say a few words and am then interrupted almost immediately. There are others on the Back Benches who want to make a contribution, so if the hon. Gentleman will forgive me, I will give way to him a little later.

PCTs were reminded of these duties in the Healthcare Commission's national review of urgent and emergency care, which again concluded that out-of-hours care had improved, but warned that PCTs should scrutinise their out-of-hours care more closely to meet their legal responsibilities to provide safe, high-quality care.

The third level of control is the employer. This can be the PCT or, more often, a company or co-operative contracted by the PCT. The employer should be contractually bound by the PCT to check qualifications and ensure that the GPs it employs are competent. That is part of the basic controls. In October 2009, the CQC issued an interim statement on its inquiry into the provision of out-of-hours services by Take Care Now to remind PCTs that they were already obliged to have in place robust arrangements for commissioning and for performance and contract management. The CQC emphasised the need for PCTs to assure themselves that all out-of-hours GPs, including locums, are fit to practise.

Several hon. Members *rose*—

Mr. O'Brien: Out-of-hours providers were also reminded of the need to ensure rigorous recruitment, induction and training arrangements for medical staff. Dr. David Colin-Thomé, the national clinical director for primary care, followed this up with a letter to all PCT chief executives. The quality of out-of-hours care is good for most patients, but as we know from the CQC report, there are clearly some serious issues to address.

Dr. Colin-Thomé and Professor Steve Field, the chairman of the Royal College of General Practitioners, were asked by me in September to examine all the various reports—there are a number of them, going back to Carson—and to make further recommendations on how primary care out-of-hours services could be improved. It is my intention to publish that report as soon as the current inquest has concluded and I have informed the coroner of that.

I expect the report to show, among other things, that not only have things improved since 2004, but that decentralised controls on PCTs have led to an unacceptable variation in their enforcement—a similar conclusion to

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the CQC report in October—and that more action is needed to ensure that PCTs perform their control obligations under the 2004 regulations. Before I go on to say a few more words on regulations, I shall give way to hon. Members who have indicated a wish to intervene.

Norman Lamb: I am grateful to the Minister for giving way again. He talked about the regulations that were in place, with which PCTs were obliged to comply by applying the performers list. What are the consequences for the primary care trust of failing to comply with those regulations? The consequences could be fatal.

Mr. O'Brien: The fatality relates to the patients, but the primary care trusts would clearly be in breach of their legal obligations, and they would then be subject to NHS disciplinary action. Whether they would be prosecuted on a criminal basis is a separate matter; the situation would involve a breach of civil regulations, so the PCT would be answerable through the NHS.

Mark Simmonds: The Minister mentioned that some primary care trusts were clearly not fulfilling their obligations under the current regulations. He may be coming on to this point, but what specifically will he change to ensure that PCTs abide by the regulations, that such tragedies are prevented and that service improvements take place?

Mr. O'Brien: I am indeed going to come on to that.

Mrs. Jacqui Lait (Beckenham) (Con): My hon. Friend the Member for Boston and Skegness (Mark Simmonds) mentioned that doctors from the European Economic Area do not have to take a language test, and I seem to remember that that comes from the directive on the free movement of workers. Will the Minister clarify whether they still do not have to?

Mr. O'Brien: They do not, and that is an important point. A doctor from the EEA—comprising the European Union and a couple of other countries—does not have to carry out a language test for the GMC; other doctors from outside the area do. However, the PCTs are therefore obliged to ensure that a GP who is employed to provide out-of-hours care or other services can speak good English. The PCT can insist on tests and on the provision of evidence to show that the individual GP speaks good English.

A general examination of a number of PCTs has shown that some have not carried out the level of tests and checks that they are legally obliged to undertake on a person's ability to speak English. If someone applies in Nottingham or Leeds, for example, they will undergo checks. Other PCTs were not carrying out checks. I understand that Cornwall was not carrying out adequate checks, but I am told that it is now. That issue needs to be clarified.

The PCT is not the only body that must check whether someone speaks English before they go on the performers list: the employer should, through its contract, have an obligation to ensure that the doctor is not only a competent clinician, but able to speak English and communicate with the patient. It seems pretty basic to me.

Mr. Todd: My right hon. and learned Friend's response provoked me to add my name to the debate, so he will get more value from my words than he might otherwise have had. May I draw his attention to the concern of those suffering from motor neurone disease? I, along with two other Members who are present, sat through presentations from sufferers of that condition who had used the out-of-hours service. It is a rare condition, but the lack of knowledge displayed by the person with whom they were dealing made that experience deeply distressing. The training level and protocol strength that the out-of-hours service uses must be radically reviewed in that context.

Mr. O'Brien: My hon. Friend makes a very good point, which I shall certainly take on board. I look forward to hearing his further contribution, if Madam Deputy Speaker so wishes, during the course of the debate.

I now turn precisely to the level of regulation. This Government take patient safety so seriously that we have strengthened the regulations on health care providers, but the hon. Member for Boston and Skegness made it clear that the Opposition oppose further regulation. There is always a question as to how prescriptive regulation should be and where the balance should lie: should we try to control more from Whitehall with more interventionist regulation? However, one cannot run everything from the centre. Despite what some people say, Nye Bevan did not make himself responsible for every bed pan dropped in Tredegar. We rely on local managers, and the policy needs to be in place so that they know what they have to do; then the regulators must be there to check that local managers know what has to be done and implement it. Nevertheless, we cannot guarantee that human fallibility, negligence or failures may never arise.

Should we leave it to PCTs and employers to enforce safety practices and checks? Decentralisation is beneficial in the sense that it can deliver innovation and respond to local needs; it also sounds good and makes a good soundbite, as we heard from the hon. Member for Boston and Skegness. However, it can produce risks in some parts of the system if those parts do not deliver what they are supposed to. More regulation may therefore be needed in the case of out-of-hours care. I will be able to make some further announcements in a report that we will publish in due course.

We have recently made a number of significant changes. First, the Care Quality Commission has now replaced the Healthcare Commission, the Mental Health Act Commission and the Commission for Social Care Inspection as the single regulator for all health and social care. This more powerful and more effective system of regulation will help to ensure a more consistent approach to patient safety, no matter where people are being treated or cared for and no matter who they are being treated by, whether it be public or private sector providers. This system of stronger regulation is being rolled out. By April 2012, subject to legislation, all providers of out-of-hours care, including private companies, will need to register with the CQC, giving it a greater degree of scrutiny and independent oversight.

Secondly, we have changed the standard of proof for professional disciplinary cases from that of beyond reasonable doubt to the more flexible and more appropriate civil standard balance of probabilities.

Thirdly, in November last year, we introduced a licence to practise. This will ensure that doctors must continue to meet the high standards demanded of the profession throughout their careers by requiring them to go through a process of revalidation every five years to prove that they continue to meet the standards. This will be the only systematic and comprehensive system to assure the quality of doctors anywhere in the world. As part of this process, doctors must also now present annual, clear, positive evidence of their fitness to practise against 12 standards based on the GMC's "Good Medical Practice".

Fourthly, from October, subject to regulations, health care organisations will have to appoint a responsible officer with a statutory duty to evaluate a doctor's fitness to practise and to monitor their conduct and performance. They will also monitor admission to the performers list.

Mrs. Maria Miller: Will the Minister give way?

Mr. O'Brien: Let me deal with a couple more points, and I will give way before I conclude.

The hon. Member for Boston and Skegness asked about the implementation of electronic patient records. More than 1 million core records have been created across a number of locations, including London. Early evidence points to improving out-of-hours care, ensuring that doctors have up-to-date information at their fingertips in situations where this is critical. It is not yet available across the country, but it is rolling out as we speak. With the IT systems and the changes that we are making to improve the quality of care, which the Conservatives have indicated that they are unhappy with, we are ensuring that that sort of information is more readily available.

In terms of the broader issues, the results of massive investment in the NHS in 2001 are now becoming clear. More than 98 per cent. of patients are being seen, diagnosed and treated within four hours of arriving at A and E. Three quarters of GP practices now offer extended opening hours—a move that was opposed by the Conservatives. New GP-led health centres are being opened in every PCT area, opening from 8 am until 8 pm, seven days a week, 365 days a year—also opposed by the Conservatives. Millions of people use NHS Direct for clear and accurate information about medical issues and to seek help by day or night. We plan to introduce a free 111 urgent care phone number, to go alongside the traditional 999. That will help with anything from making an appointment with an emergency dentist to directions to a late-night pharmacist or referral to an out-of-hours primary care GP.

The reforms that we put in place in 2004 have improved the quality of out-of-hours care for patients and were introduced with the support of the medical profession. We have brought the system from poor to good, but we have never claimed that it has got to where we think it should be. There is more that we can do, and we need to make it better. When I asked Dr. David Colin-Thomé and Professor Steve Field to report, I asked them to examine with care all the evidence in relation to out-of-hours care. They will make recommendations to strengthen the system of regulation and improve patient safety, and I look forward to sharing those recommendations with the House in due course.

The Conservatives have indicated today that they want to return responsibility for commissioning out-of-hours care to GPs. I was particularly struck by the answer given to my right hon. Friend the Member for Rother Valley (Mr. Barron) when he asked what the responsibility implications of that were. It appears that responsibility for out-of-hours care is to be handed back to GPs. The Conservatives want to force a number of things on GPs, including hard budgets for patient care. GPs are concerned that forcing them to hold responsibility for out-of-hours care, on top of those hard budgets, could drive some practices to the wall, but the Tories would force those things on all GPs. The Government say that under practice-based commissioning, GPs can already take on the commissioning of out-of-hours care and budgets if they want to, but we will not force them to if they do not. It appears that there is a clear dividing line between the Conservatives and ourselves.

The Conservatives claim that they are concerned about the NHS, but in 1997, 18 years of a Conservative Government had left it on its knees and struggling, including out-of-hours care. When we increased national insurance to improve the NHS, including out-of-hours and urgent care, the Conservatives opposed it. When we set a four-hour target for accident and emergency patients to be seen and treated, discharged or admitted, they opposed it. When we created GP-led health centres offering extended hours to patients, they opposed it. When we extended GP practice opening hours, which has now happened for patients at 77 per cent. of practices, the Conservatives opposed it. When we introduced the target for patients to see a cancer specialist within two weeks of referral, they opposed it. They want to set the clock back on the NHS and its reforms and remove the targets that have improved services.

We have never said that the NHS has resolved its problems—far from it. With our policy of "good to great" we have said precisely the opposite: there is still more work to be done on the NHS. We have got it from poor to good, and we now need to get it from good to great. We need to ensure that we reform out-of-hours and urgent care as part of that change. We have shown our willingness to tackle the problems in the NHS and are not satisfied with the current state of things, which is why we commissioned proposals to improve out-of-hours care.

In the coming months, we will expose the complete vacuity of the Tories' policy. Their claims of over-regulation are the opposite of the truth, which is that we need tough regulation in this area. The Labour Government have shown that we can deliver it. We are the Government who care about the NHS and who will deliver improvements in the NHS.

5.23 pm

Norman Lamb (North Norfolk) (LD): May I first join the Minister in expressing my deepest sympathy to the families of those whose deaths are subject to the inquest that you referred to, Madam Deputy Speaker?

It is clear that what the hon. Member for Boston and Skegness (Mark Simmonds) said is right, and that the quality of out-of-hours care is not good enough across the whole country. Standards are variable, and there are insufficient safeguards to protect patient safety. It is fair to say that there are very good services in some parts of

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the country, and they should be recognised. It is also right that cost is not the key factor; some good services are provided at a relatively low cost and some poor services are clearly expensive to the local health economy.

It is also right to point out that the reform that was introduced alongside the GP contract in 2004 was flawed in its implementation. My right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith) made the legitimate point that an assumption seems to have been made at the time that there was a pool of doctors in every locality who would be readily available to provide out-of-hours care. Of course, the truth was very different.

In many parts of the country, including my right hon. Friend's area and my area of Norfolk, the out-of-hours services has had to rely to a greater or lesser extent on doctors being flown in from overseas. That is not acceptable. It often means someone flying in on a Friday evening ready for a weekend session, tired and too often not sufficiently cognisant of the local health arrangements. That failure of the 2004 reform needs to be recognised.

However, it would be wrong to imply that everything was good before 2004. I am worried that the Conservative proposal to return commissioning responsibility to GPs appears to be a return to what was happening in many parts of the country before 2004. In 2004, immediately before the reform, few patients saw their own doctor out of hours. In most cases, GPs were entering contractual arrangements with other bodies, often co-operatives, to provide that care. That seems to be exactly the commissioning arrangement that the Conservatives propose. I agree that reform is necessary, but I am concerned about a knee-jerk reaction and going back to a previous system, which clearly had serious flaws and was greatly criticised at the time.

Why is out-of-hours care so important? Self-evidently, critical decisions often have to be taken outside the normal hours that GPs operate—often in the dead of night, often in very rural areas. It is vital that patients can rely on high-quality care at those times of need. It is critical that we provide the reassurance to people that, when a crisis occurs in the middle of the night and they make that phone call, they will get a responsive service and that the GP who is available to turn up is of a sufficient standard. Concerns were expressed that the whole rural county of Suffolk is served by two GPs out of hours. Surely we can all agree that that is unacceptable for providing a trusted service.

Sir Alan Beith: In a situation that often arises, when a family with a sick child has to decide whether to ring the out-of-hours doctor, who may arrive in two hours from 60 or 70 miles away and may then call an ambulance, they tend to call the ambulance straight away, because at least the child will then be taken to hospital, even if that is not the right clinical decision.

Norman Lamb: My right hon. Friend is right. That can result in unnecessary admissions to acute hospitals, which are already overburdened. There have been significant increases in admissions to accident and emergency. In an intervention from the Conservative Benches on the hon. Member for Boston and Skegness, the point was made that, if we end up with transfers of care to acute settings, it is more inconvenient for the patient and costly for the health service, and thus wholly counter-productive.

The hon. Member for Great Yarmouth (Mr. Wright) made the point that in the recent past in his area, his constituents had to wait hours for a doctor to turn up at their time of need. Just imagine the anxiety that those people go through while waiting for a doctor to arrive. I am sure we all agree that that is not acceptable.

The best situation—I draw the distinction between the provision of care and the commissioning of care—is surely when, as far as possible, GPs who have an involvement in the local primary care system are involved in the provision of out-of-hours care. Some doctors could work shorter hours in in-hours time and commit to out-of-hours care. That happens in some places.

We must recognise, however, that doctors are under significant pressure, and that one reason why the change was made in the first place is that we were finding it difficult to recruit doctors because of the commitment to 24-hour care. Any reform must recognise those pressures and understand that we cannot push doctors over the edge. Exhausted doctors are also not good for patient care.

Mr. Robert Syms (Poole) (Con): The hon. Gentleman makes a good point. However, there are also a lot more women doctors both in hospitals and among GPs—that is one of the major changes in the profession—and they may have family obligations. It would be difficult for them to give the same level of out-of-hours care when they have children to look after.

Norman Lamb: That is a very fair point. I was previously a solicitor. Some women solicitors joined a rota to provide out-of-hours support under the legal aid scheme. It is not impossible, but I recognise that there are constraints, and I accept the hon. Gentleman's point.

We can all agree that the concerns about the use of foreign doctors in out-of-hour care need to be addressed. I fully understand the sub judice nature of the current inquest, so I will not refer to it, but I will refer to the current framework, which I think is inadequate to protect patient safety. A doctor must get on to the performers list before he or she can practise in any given area. However, once a doctor is on a performers list, in any part of the country, they have access to practise anywhere around the country. Failures by one primary care trust could be fatal in any part of the country, not just that area.

Back in February 2007, my hon. Friend the Member for Truro and St. Austell (Matthew Taylor) expressed concerns about Cornwall and Isles of Scilly PCT in a debate in Westminster Hall. He highlighted specific cases of constituents who had to deal with doctors out of hours who could not understand their patients. Surely that is unacceptable. Of one case, he said:

> "Mr. and Mrs. T were gobsmacked when their daughter was seen by another overseas agency doctor who not only found it difficult to understand her—this has been an issue with the overseas doctors employed—but relied on an electronic word converter to communicate with the patient."—[*Official Report*, 20 February 2007; Vol. 457, c. 4WH]

That is utterly shocking. How did that doctor get on to the performers list in Cornwall? As I asked the Minister earlier, what are the consequences of the abject failure of that PCT to prevent that doctor from practising out-of-hours care in Cornwall?

Mark Simmonds: The hon. Gentleman makes a very powerful point. Is he aware that rumours are circulating among GPs that one or two PCTs have a reputation for giving easier access to the performers list? As a result, GPs who cannot communicate, and who perhaps do not understand the medicines that are used in the UK, have been able to get on to the out-of-hours circuit and provide care for patients.

Norman Lamb: I am aware of that and I am grateful to the hon. Gentleman for raising it.

At the end of that debate, my hon. Friend asked the Secretary of State, who was then a Minister:

"Will the Minister promise to take a personal interest in ensuring that the situation is rapidly turned around?"

He answered:

"I give the hon. Gentleman that commitment, because these are extremely important concerns."—[*Official Report*, 20 February 2007; Vol. 457, c. 24WH.]

Yet it seems that the practice of allowing doctors to be admitted on to the performers list in that county continued for some time afterwards. The Minister says that that has changed now, but what guarantee do we have that any particular PCT will not have flaws in their system and allow a GP into the system who can then practise anywhere in the country? That issue surely needs to be addressed.

Mr. Mike O'Brien: Does the hon. Gentleman agree that it needs to be addressed by ensuring that regulations are more effectively enforced and, if necessary, tightened up? That means that the Government have a role, contrary to the view of the official Opposition. Regulation may have to be tightened up in that area.

Norman Lamb: I am grateful for that intervention, and I agree that the rules have to be tight and effective. If a primary care trust allows doctors to practise, in effect anywhere in the country, by allowing them on to the performers list when they are not competent and cannot speak the language—in other words, in breach of the regulations that the Minister mentions—it should be a criminal offence on the part of the PCT. I would like the Government to commit to investigating that possibility, because there is a powerful case for it. There have to be consequences for a failure by the PCT in allowing an incompetent or dangerous doctor to practise in this country.

Mr. Mike O'Brien: Criminal penalties involve someone having to pay a price, be that a fine, imprisonment or something else. What sort of penalties does the hon. Gentleman propose PCTs should be subject to? After all, patients would lose out if a fine were levied, because it would come from the budget. Who should be imprisoned or convicted of a crime? He needs to think that suggestion through.

Norman Lamb: Of course the idea requires thinking through, but trusts can be criminally liable, if they behave in a way that breaches the criminal law. Some sanction is necessary to concentrate the minds of decision makers, which were clearly not concentrated when allowing doctors into the system in Cornwall, as revealed in that debate.

As other hon. Members have said, the Department of Health commissioned a report on the performers list, which was published on the website last March. It said:

"We also concluded that there are unacceptable variations in the way in which PCTs in England currently operate the Performers List arrangements, and have made a substantial number of recommendations to improve the local implementation of the system."

That report sat gathering dust for many months. I understand that Steve Field is now examining the report and making recommendations of his own, but for too long its recommendations have not been implemented on a national level, and I do not understand why not. Given the flaws in the system that the report revealed last March, the recommendations should have been implemented straight away.

Registration with the General Medical Council is another vexed issue. We have already heard that if doctors come from the European economic area, they have no obligation to prove competence or language skills before being registered by the GMC. However, doctors from the Indian subcontinent, who might have excellent training and skills, have to prove that they are competent and have language skills before they can be registered by the GMC. In my view, that is discrimination and should not be allowed.

It seems to me that there is an obligation on us all to argue the case for reform in Europe to ensure that the GMC can test for competence and language skills before any doctor from the European economic area practises in this country. The case for it is overwhelming, and it seems to me that if we believe in the principle of the freedom of movement of labour, which I fundamentally do, there must be a commensurate system of safeguards to protect patient safety. We are not talking about hairstylists; we are talking about people who could kill patients, if they are incompetent or worse. The system does not adequately protect patients in those circumstances. The GMC, when one talks to it, confirms that it is unhappy with the current European framework, and yet the system continues to fail to safeguard patient safety.

It is fair to say that the system and the quality of regulation around Europe are of highly variable standards. Many European countries have not yet split the trade union function, which here is performed by the British Medical Association, from the function of regulation. That is a conflict of interest, and yet under the current system we have to rely on a regulator that also acts as a trade union in another country to judge the competence of a doctor. That, to me, is not acceptable for safeguarding patient interests in this country.

A damning report on the quality of general practitioner training in Germany was published in Germany by a panel of invited international experts. It condemned the quality of GP training in Germany, and yet we have to rely on its system of regulation to prove that a doctor is competent to practise in this country. Reports in Germany demonstrate that we should not rely on that before accepting a doctor for registration in the United Kingdom. In my view, that needs to change. However, the fact that it is European law that needs to change should not stop us arguing the case for reform.

Surely there needs also to be a system for training and assessment when a doctor arrives in this country. If he or she arrives for his or her first weekend shift, surely

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before that shift is undertaken, there should be full training, both in-hours and out-of-hours, in that local system, before they are permitted to practise in that area. Surely the training should include a full understanding of the "British National Formulary"—the guidance provided on prescribing. The drugs used in this country are often different from those used overseas, and yet we have nothing to require a doctor to understand what drugs are available in this country and what the official guidance is on prescribing. That, again, is surely unacceptable.

Surely there should also be an absolute requirement for induction, to work with GP surgeries locally to understand how the system works locally and to have an induction in out-of-hours care before such doctors are given responsibility for patient safety.

Sir Alan Beith: I can give an example of the problem to which my hon. Friend is referring. Practice differs in rural areas from urban areas. We have had doctors from overseas, and even UK doctors, who say, "Oh, I don't do stitching, because that is not done in general practice in some areas." In a rural area, however, it has to be, because otherwise the patient might have to travel 60 miles for treatment elsewhere.

Norman Lamb: Absolutely. My right hon. Friend makes the point very well; before a doctor can practise in a particular rural area, with its particular distances between patient and hospital, they must be able to undertake the work to provide a proper service to those patients. He makes that point extremely well.

Surely it is also the case that, when a doctor in the UK practises, they have to undergo an enhanced criminal records check, but that is not the case with a foreign doctor coming to work in the UK. That foreign doctor might have committed offences elsewhere in Europe, but there is no effective check before they are allowed to practise in this country.

I want to deal briefly with what happens when something goes seriously wrong. When a doctor is suspended in any European country, there is no obligation on the regulator in that country to notify other regulators in Europe or to pass on information to them. The General Medical Council dealt with that in a letter to me, stating:

"Our central concern is that disclosure arrangements for this information are voluntary, and rely on individual regulators being able to build effective mechanisms for co-operation between themselves...There is no legislation at European level that requires regulators to share information about a doctor (or other healthcare professional) when action is taken with regard to their registration."

The letter continued:

"We have argued that, in addition to the right to receive treatment in another member state, patients should also have the right to safe and good quality healthcare and, as part of this, the right to know that the doctors (or other healthcare professionals) who treat them are safe and fit to practise. Without a legal duty to proactively exchange fitness to practise information, there is a risk that a doctor who held registration in more than one jurisdiction could be barred from practising in one country, while continuing to practise in another."

That is an horrendous situation, and it is not just patients in this country who are at risk; it is patients across the European Union, because of an inadequate system to safeguard patient safety. We should challenge that.

Dr. William McCrea (South Antrim) (DUP): Having pointed out serious flaws in the present system, perhaps before he finishes the hon. Gentleman will tell us how he believes the situation can be rectified.

Norman Lamb: The GMC is arguing for the reform of directives in Europe. Indeed, it is already lobbying for that, pointing out two different mechanisms in its letter by way of amendments to such directives. I want to know whether the Government are arguing the case strongly in Europe for that change to happen, because it is essential that it should happen in order to safeguard patient safety. When someone is suspended in one European country, surely that suspension should apply across the entire European Union. If we allow people to move around Europe to work, there must be a commensurate safeguard, so that when one regulator decides that someone is not fit to practise or that there is a need to suspend them pending investigation, that suspension should apply across the board.

Dr. Stoate: Can the hon. Gentleman not see that he is getting to the nub of why the previous system did not work? He will remember that before 2004 and the new GP contract, each GP was legally liable for the out-of-hours service, even if he or she did not provide it themselves. That meant that should a GP, in all good faith, take on a locum who happened to be a German or French national, that GP was responsible for checking whether that locum was registered and had the right qualifications, training and Criminal Records Bureau checks. For obvious reasons, GPs felt victimised when something went wrong, because the GP who had employed the locum was legally liable for that locum's actions. That is precisely why GPs were so frustrated and angry about the previous system and why they voted so overwhelmingly to divorce themselves from out-of-hours care and hand it to the primary care trust, which at least had the power and a reasonable level of bureaucracy to enable it to address some of those issues, which, in all honesty, could not be addressed by individual practitioners in individual practices.

Norman Lamb: That is the reason why I have concerns about the Conservative proposition. I am not entirely sure whether the shadow Minister said that the commissioning GP would be legally responsible and accountable for any errors made by someone who had been commissioned to provide the service—I do not know whether he wants to intervene on me about that point.

Mark Simmonds *indicated dissent.*

Norman Lamb: He does not. That point looks like work in progress to me, but it is a critical issue. My problem with the analysis given by the hon. Member for Dartford (Dr. Stoate) is that accountability is lacking under the current system, too. When a PCT fails to safeguard patient safety by allowing a dangerous doctor or a doctor who cannot speak the language on to the performers list, as we saw in Cornwall, there is no comeback for that primary care trust. That surely has to change.

I am also concerned about the situation that exists under European arrangements. A doctor who commits an error for which he is potentially criminally culpable must surely be held to account in the jurisdiction of the

country where that error occurred. We cannot guarantee that that will happen at the moment, and that must surely change. That will involve ensuring the effective operation of the European arrest warrant, but at present we cannot be confident about that either.

There is a clear, powerful and overwhelming case for reforming the system of out-of-hours care. The head of the Royal College of General Practitioners, the highly respected Steve Field, said last autumn that there was a pressing case for the reform of out-of-hours care. That case is overwhelming. I have concerns about the proposition put forward by the Conservative party, and that is why I propose that the Royal College of General Practitioners, which is respected not only by practitioners but in this place, should be commissioned to carry out a review and to come up with proposals to reintegrate doctors into the provision—not the commissioning—of out-of-hours care locally, so that we can ensure that patient safety is protected.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the House that there is a limit of eight minutes on Back-Bench speeches. The Front Benchers have taken up the lion's share of the debate, to the detriment of the interests of Back Benchers, but I hope that hon. Members will try to keep within that limit.

5.51 pm

Dr. Howard Stoate (Dartford) (Lab): Thank you, Mr. Deputy Speaker. I shall endeavour to keep my remarks within your eight-minute time scale.

This has been an interesting debate that has raised important issues about the quality and delivery of out-of-hours services in general practice. The hon. Member for Boston and Skegness (Mark Simmonds) highlighted the problem well when he said that the present system was patchy. In many parts of the country, it is unacceptable. We need to do something radical to change that, to ensure that patients in every part of the country have access to good-quality out-of-hours services from whomever is delivering them.

The problem is that I do not agree with the hon. Gentleman's analysis of what needs to be done. He seemed to imply that a return to the old GP commissioning system would somehow improve the situation and put things right. It could well do that in some parts of the country, but it is a rose-tinted view of the situation. This takes us to the nub of the problems that we had before 2004. Some GP commissioners are undoubtedly of extremely high quality and extremely highly skilled, and undoubtedly take a great interest in the service and do a first-class job, but the fact is that most GPs do not want directly to commission. A recent publication by David Colin-Thomé, the national director for primary care, acknowledged that many GPs were not skilled or interested in direct commissioning, and simply did not want to do it themselves. My worry is that compulsorily bringing GPs back into the commissioning role would work in some places but not in others. In other words, we might have a different patchwork, but we would still have a patchwork.

We need to consider why GPs were so keen to divest themselves of their responsibility for out-of-hours care in 2004. They voted overwhelmingly to end the situation in which they were legally responsible for what happened out of hours. I personally know GPs who had been on holiday and who received a complaint when they got back because of the actions of a deputy who had been doing the out-of-hours care for them. The GP, who might have been sunning himself in Spain at the time, was legally liable for the deputy's actions. That was nonsense. It would not occur in any other situation; why should it occur in general practice? Let us also bear in mind the fact that, before 2004, most GPs did not deliver their own out-of-hours services. They contracted them out to deputising services, to co-operatives or perhaps to an in-town rota. Nevertheless, they were legally responsible for the services provided.

It is hardly surprising, therefore, that GPs decided that the situation was unsustainable. If we did the work ourselves, we were worn out the next day and not able to provide the top-quality service that our patients deserved. However, if we divested ourselves of the service and gave it to, say, a commercial service, we remained legally responsible. We were never able to sleep soundly in the knowledge that someone else was truly responsible for our patients. The situation clearly could not continue. It was affecting recruitment and retention, and GPs were retiring early because they simply could not keep it up any longer. The situation was untenable and could not continue indefinitely.

The Government therefore, quite rightly, renegotiated the contract in 2004, and made primary care trusts responsible for the delivery of these services. In most cases, the PCTs simply continued to contract with the same bodies that had already been providing the out-of-hours care. In my area, for example, an organisation called Grabadoc, which covers Greenwich and Bexley doctors on call, was almost entirely staffed by GPs before the 2004 contract, and it got the contract to continue to provide the same service, so almost nothing changed. The only thing that changed was that the responsibility was taken away from the individual practices. That is how it should be.

If anything needs to be learned from this afternoon, it is that we should be much tougher in regulations—I agree with the Minister—to ensure that primary care trusts can be held accountable to deliver the service that they contract. They are legally responsible to provide the service, so it is up to them to monitor it. It is then up to the CQC, perhaps, to monitor whether the PCTs are doing their jobs. If not, they need to be held to account in whatever way is deemed appropriate. That is not a matter for this afternoon, but it needs to be done properly.

In the limited time available, I also want to say that the situation is not all bad. It is easy to concentrate on situations in which something has gone wrong, a patient has suffered harm, or a patient's family has waited an unnecessarily long time for a service, and to assume that the service is generally not very good, but that is not the case. We must differentiate carefully in-hours care, when a GP, who is generally known to the patient, will provide a service with a wide range of back-up, practice nurses, diagnostic equipment, access to colleagues within the hospital or community services, and the full armamentarium of interventions. Out-of-hours provision has never been like that. It has always involved an individual practitioner, generally on their own, making an assessment of a patient they probably do not know, and trying, with the limited resources, interventions,

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diagnostics and treatments available to them, to provide an emergency service for that patient. It has worked well over the years, and some of the evidence is quite interesting.

I have done some reading of *The British Journal of General Practice*, as Members would expect, and it clearly draws a distinction. A paper a year ago said:

"When dealing with acutely ill patients in usual in-hours clinic circumstances, the support provided by a competent team in familiar surroundings cannot be underestimated. Not only is the patient likely to be known to the practice, but triage, emergency equipment and diagnostic assessment can also be arranged most effectively".

It continued:

"In the out-of-hours situation, however, particularly if a home visit...is involved, the GP must deal with many of these aspects alone...clinical decision making is inherently more difficult because patients are much less likely to be known, and options for adequate diagnosis and subsequent patient care are more limited".

It goes on to make the point that GPs vary considerably in their attitude to risk taking. Many GPs can handle far higher levels of uncertainty of risk than others, and therefore perhaps are better placed to make out-of-hours decisions. It is wrong to assume that all GPs are similarly skilled and competent and that all GPs will provide the same decision making in different situations. Certain types of GPs might be much better placed to make such decisions—that is the direction we are going in—and those GPs often become sessional doctors for co-operatives or out-of-hours services because that is their particular skill and interest. They can provide a better service. The situation is very complex, and one size does not fit all. There are different types of doctor in different parts of the country.

Another study carried out in south Wales, and published in the *Emergency Medicine Journal* in 2008, made a similar point. It found that 80 per cent. of patients were satisfied with the service they received from the out-of-hours service involved. Only a fifth of patients were dissatisfied with the service. The authors examined why those patients were dissatisfied, and concluded that it was due to

"a mismatch between patients' expectations of the service and what the service actually provides to some specific user groups."

They concluded that, generally, the service was adequate, but the communication between the patient and service provider was often poor. That point has wide relevance. Quite a few of the worries about out-of-hours care concern a failure to arrive at a clear definition of what an out-of-hours service should provide to patients. Better communication is essential if we are to address that and ensure that patients get the best of the deal.

Previously, most patients were reluctant to call their own doctor out to make a home visit at night, knowing that that doctor would have to carry on their normal surgery the next day. On the few occasions they did call the doctor out, expectations were generally modest. They were so grateful that their own doctor had come to see them that they were reluctant to put abnormal demands on that doctor. A lot of unmet need was out there, and it is wrong to assume that needs were being met because their own family doctor—

Mr. Deputy Speaker: Order.

5.59 pm

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): In the light of Madam Deputy Speaker's ruling at the outset of this debate that the case of my constituent, Mr. David Gray, remains sub judice until the inquest on his death finishes next week, I shall not allude to it any further. However, I put on record my intention to pursue a proper debate on the circumstances surrounding his tragic death and subsequent developments at a later time and through other means. I am sure that Mr. Gray's family will greatly appreciate the offer of condolences that the Minister made in his opening remarks.

Several cases in the media in the past years—and not just the case that is currently sub judice—have highlighted the failure of the out-of-hours care system. All too often, we hear similar stories of patients not receiving the out-of-hours care that they are entitled to under the NHS. Currently, the shortage of out-of-hours GPs is largely met by foreign doctors who register to work as supply doctors in England, but the system does not adequately ensure that these foreign doctors are fit for practice. Loopholes in the out-of-hours system have enabled some foreign doctors who should never have been allowed to work as GPs in this country to do so, at great cost to patients' welfare and safety. In the absence of any root-and-branch reform of the system or a change of Government leading to GP commissioning as outlined by my hon. Friend the Member for Boston and Skegness (Mark Simmonds) in his opening speech, I should like to focus on the use of foreign doctors in out-of-hours provision and to suggest a few proposals for reform that might go some way to ensure that patients receive the high standard of care to which they are entitled under the NHS.

My first proposal is that an assessment of English language skills should be carried out on all foreign doctors, because too many patients complain of foreign doctors' often limited knowledge of our language. We must ensure that all foreign doctors who register to work in Britain have a sufficiently good grasp of English to diagnose appropriately and to treat patients. Misunderstandings and unawareness can cost lives, particularly as many EU doctors are apparently unfamiliar with the strength of some drugs that are used in the NHS.

As the Minister confirmed, many primary care trusts require a high level of English proficiency before a foreign doctor can register as a GP. However, the system allows for loopholes to be exploited, as not all PCTs have such high standards. The loophole enables foreign doctors who would not pass the English requirement set by some PCTs simply to apply to others that do not have such stringent rules. Even worse is the fact that a doctor who fails an English test in one PCT can withdraw his application from that PCT, leaving no trace or record in the system, before re-applying for an English test at another PCT. Thus, there is no record of a list of failures or rejections. In other words, a doctor can tout himself around the system until he finds a weakness and gets a breakthrough. Once a doctor is registered with a PCT, he or she can work as a GP anywhere in the country, regardless of the language requirements in the particular PCT area in which he or she ends up practising. The registration of foreign doctors with PCTs is an area where requirements must be standardised in order to avoid applicants exploiting such loopholes.

As well as having these English language tests, it is crucial that the applicant's medical competence is assessed before they can register in the UK. Before being registered, doctors should be required to provide documentation to show that they have experience of working as a GP and that they have undergone specific training in general practice. All the applicant needs to do at the moment is to provide a licence to show that they are allowed to practise in their own country, regardless of whether they have actually ever worked as a general practitioner. I do not believe that that is enough, and more stringent rules are needed in this area to ensure the best possible care for patients.

Compulsory training and induction in England before foreign doctors are allowed to work as GPs is also crucial to ensure a high level of patient care, a point made by the hon. Member for North Norfolk (Norman Lamb). That is not currently a legal requirement, and it would be interesting to hear of any plans the Government have to introduce compulsory training and induction for foreign doctors.

The General Medical Council must consider introducing more stringent assessment before recognising medical qualifications from other EU states. Doctors from EU countries do not have to undergo the same assessment of their competence as doctors from other countries, not only those from India—that country has been mentioned—but those from countries such as Australia and the USA. It is necessary that the medical competence of doctors from EU countries should also be assessed, as medical training and types of drugs used vary across Europe. Criminal record checks should also be mandatory for all foreign doctors applying to work in our NHS and the country of origin should be obliged to supply information of previous malpractice by a doctor to the authorities in this country. At present, this is entirely voluntary, but there have been cases of doctors who have been convicted of malpractice in their own country being allowed to practise as out-of-hours GPs in our NHS.

A national database of foreign doctors applying to work as a GP in Britain should be introduced that would hold information on language skills, levels of medical competence, criminal record checks, malpractice in the country of origin and whether the doctor has ever been rejected by, or withdrawn their application from, any PCT. Finally, as a general rule, doctors should be accountable to the laws of the country in which they practise. The Government must work with other countries to ensure that any doctor accused of malpractice, negligence or worse in this country is not allowed to escape justice being served for the crimes that they have committed.

I hope that the Government will urgently consider the proposals for reform of the out-of-hours care system that I and many other hon. Members have proposed in the debate this evening. I call on the Government to ensure that foreign doctors are properly assessed and scrutinised before they are allowed to work as GPs in this country. We have witnessed too many cases where patients have been let down by the system and we need a complete overhaul of the provision of out-of-hours care in order properly to ensure the safety and well-being of patients. Until the Government bring in urgent and sweeping reforms to this system, people's lives will be at risk. Too many patients have had to pay with their lives already.

6.6 pm

Mr. Mark Todd (South Derbyshire) (Lab): I had not expected to speak in this debate, but the robust handling of interventions by my right hon. and learned Friend the Minister has led me to say a little more than I would otherwise have done.

Let me first say something about the position in my constituency. When the out-of-hours service was removed from GPs and transferred to PCT commissioning, the initial results were simply horrendous. I received large numbers of complaints over poor handling of calls, lengthy delays and so on. However, I should immediately add, by way of comfort, that the PCT—not rapidly, but over time—addressed those concerns and there has been a significant improvement in the services offered in South Derbyshire. Some location changes mean that there is now an outpost in Swadlincote that serves the urban area and its environs, so a GP can reach patients in the main population hub of the area rather more rapidly than they could under the old model. There is evidence that change can take place, but I still receive complaints and we still have further to go.

My original reason for wanting to intervene focused on the experience that I and other hon. Members had yesterday of listening to carers of those with motor neurone disease who have called out-of-hours services in their areas and the frankly very poor treatment that they have received. The most extreme example, which resulted in an apology and, I think, disciplinary action against the person involved, involved someone with NIV—non-invasive ventilation—which is the breathing system that supports someone and keeps their lungs functioning. The carer was asked to remove the mask to test that person's breathing so that the person on the other end of the phone could validate what they were saying. That was after the individual's notes had been passed to the out-of-hours service, so they should have been perfectly aware of the condition from which that person was suffering.

Clearly, as I said in my intervention on the Minister, protocols for rare conditions—cases in which crises can readily occur out of hours—need to be strengthened so that the training level for dealing with very specific conditions is satisfactory.

There is no way to turn the clock back and, even if there were, it would not be wise so to do. Others have already covered some of the reasons for that, but I shall expand on one. The hon. Member for Boston and Skegness (Mark Simmonds) opened for the Opposition but, despite what he said, I do not think that most GPs would want the legal and financial responsibility for commissioning services to be transferred back to them.

My hon. Friend the Member for Dartford (Dr. Stoate) set out some of the legal issues involved. I think that they would be intimidatory, but—and I was looking for some degree of consensus on this in one of my interventions—I think that GPs could have a much stronger role in the governance of the out-of-hours service being offered.

At the moment, there is GP representation on the professional executive committee of a PCT, but that is far too modest a function in the commissioning process. A governance board should be established to drive quality issues when a service is commissioned. That board should also be involved in the critical issue that I

[Mr. Mark Todd]

am now going to come to—the relationship between the various parts of the NHS in the area.

Knowledge transfer is critical. When an out-of-hours service is offered in an area, doctors must be able to access information about patients. Earlier, I gave the example of a person with MND for whom the GP had taken the trouble to ensure that relevant information was passed on. That process should be integrated into the commissioning of the out-of-hours service, because it is critical that those who must answer a call and deal with distress have a clear idea of what the caller is suffering from and of how best to respond. That means that we need to strengthen NHS information systems. I have been a strong supporter of investing in health information systems, in spite of the difficulties that have been encountered. We must continue to get across the message that, without a robust means of transferring information within the NHS, problems are all the more likely to occur. We should always make it clear that we will never utterly eliminate risk, but we must try to ensure that the people who have to deal with crises know what they are dealing with and whom they are talking to.

I was interested in the contribution from my hon. Friend the Member for Dartford; for a start, it is nice to hear a Member of Parliament speaking about something that he knows about. He presented interesting evidence about the different relationship between patients and out-of-hours services that arose as a result of the change in the contractual function. I think that patient behaviours are substantially influenced by that relationship.

Essentially, the argument is that people who know their GPs will not want to ask too much of them. They know that providing out-of-hours services is difficult, so they exercise some restraint on the demands that they place on the system. However, those demands may be rather different if people believe that the services are provided by some quasi-state function with which they have no relationship whatever. It is worth thinking about how economic models apply in these circumstances, and how we might try to learn some of the lessons.

Finally, the hon. Member for Basingstoke (Mrs. Miller), who is waiting to speak, made a very wise point about integrating out-of-hours services with the acute sector. From time to time, the acute trust in Derby has suggested establishing an out-of-hours service for my community in South Derbyshire that is adjacent to the accident and emergency function, with the aim of trying to provide common standards of treatment. It is perfectly obvious that inadequacies in out-of-hours care drive additional and often inappropriate demands on A and E services. There is therefore a shared interest in establishing common methodologies for examining demand, and common methods for dealing with patients when they arrive in distress and requiring treatment.

As in many cases, there is in this House a huge amount of common interest and opinion on this matter. Although I do not agree with the model proposed by the Opposition, and will not be voting for their amendment, I think that, if they reflect harder on some of the points made in the debate, they will see that there is much more to build on in terms of reform than might have appeared to be the case when the hon. Member for Boston and Skegness first started to speak.

6.14 pm

Mrs. Maria Miller (Basingstoke) (Con): Many people were shocked when they read the media stories on the issues that we are discussing. Although we cannot go into the details of those stories, it is important to recognise the concerns.

The change in the GPs' contract in 2004 is one of the root causes of the problems that we are discussing, as nine out of 10 GPs elected to opt out of providing after-hours services. The Government simply have to accept that that was a misjudgment, and that that should not have been allowed to happen. The consequences that we are now dealing with and discussing have fallen on some of the most vulnerable people in the community. We have not spoken much about patients and the primary users of those services but, as hon. Members know, the elderly and children account for 80 per cent. of them. It is important to recognise that the problems with which we are dealing are often experienced by the people least well placed to cope with them.

The problems with out-of-hours services, access and quality have only been compounded by cuts in other primary health care and public health services. The Minister will be aware of the problems in my part of the country caused by cuts to health visitor services—those problems have been experienced in many other constituencies, too—which puts more pressure on GPs and on out-of-hours services. As hon. Members have said, the result of difficulties accessing out-of-hours services is an increasing reliance on hospital accident and emergency departments. Imperial college London recently produced a report showing a 41 per cent. increase in short hospital stays by children under 10 between 1996 and 2006, often for chronic problems such as asthma and other respiratory problems, fever, and other things that could have been dealt with if out-of-hours services were more readily available. In some parts of the country, those services are simply not available.

We cannot blame parents for seeking medical care for their children when they are in distress. All of us who have small children know that sometimes it is difficult to recognise whether a problem is severe or not. Access to primary medical care through the GP out-of-hours service in non-traditional office-hour times is vital, and an overhaul requires a great deal of thought. There are questions hanging over the out-of-hours service. For example, PCTs monitor response times, but do not consistently monitor the quality of care offered to patients, and the recent inquiry by the Care Quality Commission has produced some worrying findings.

Quality of care is at the heart of what hon. Members have discussed today. The Minister said that there were three levels of quality control: the General Medical Council, PCTs and, indeed, the employer. However, as my hon. Friend the Member for Boston and Skegness (Mark Simmonds) pointed out, the GMC has said that the existing framework does not adequately safeguard patients in the system, so there is a serious flaw if people who are given the task of quality control question whether it is working. The Minister stressed the fact that legal responsibility lies with the PCT. In an intervention, however, I was surprised to hear him question whether that was enforceable. Indeed, if it was enforced, the financial consequences

might fall on the taxpayer. If there is no clear responsibility and no clear consequences, I fear that we will not see any change in the quality of care offered to some of our most vulnerable constituents.

My hon. Friend the Member for North-East Cambridgeshire (Mr. Moss) made an extremely powerful and moving contribution, and gave an excellent list of recommendations that the Minister should consider to reform the system so that we get the changes that we need. The hon. Member for Dartford (Dr. Stoate) discussed the different services provided in the NHS, and made a distinction between in-hours and out-of-hours services. Yes, I believe he is right to say that there will be different expectations of what might be delivered by those services, but my constituents and people throughout the country will expect the same quality of service, whether it is in hours or out of hours.

A number of hon. Members mentioned overseas doctors. That is at the heart of what we are debating. The Minister talked about improvements in fitness to practise for British doctors, but did not seem to move on to how that would affect the quality of doctors coming in from overseas. The hon. Member for North Norfolk (Norman Lamb) spoke about CRB checks. He is right to say that overseas doctors coming in from any country, even within the UK, will not have had an effective CRB check.

Before I move on to the situation in my constituency, which I would like to highlight to the Minister because I think it is an excellent model of working, I shall pick up on the issue of fragmentation within the NHS. We now have, by my calculation, five different ways of accessing NHS services. The Minister spoke about the new 111 service, a telephone service for non-acute calls. We also have NHS Direct, the 999 service, GPs in their normal office hours, and out-of-hours services. As we move forward, we should be careful about how patients understand the way in which those different elements work together. It is a maze of different ways of accessing the NHS. From talking to those who provide services in my constituency, I know that that is becoming a matter of concern.

My constituency has a very high-quality out-of-hours service, which could be a model for other areas. The Hantsdoc service, which has been provided for the past 14 years in Basingstoke, looks after about 30,000 patients a year and is a partnership of local doctors working with the PCT in the community. They work closely with the hospital and are located in the fractures unit to reduce the unnecessary admissions that might otherwise occur. Doctors who are located centrally can see three times as many patients, and the service is open throughout the week and the weekend, when doctors are not available. I recently visited and spoke to patients, who were extremely satisfied with the service that they had received.

I agree with my hon. Friend the Member for Boston and Skegness when he says that there is no one answer to out-of-hours services and no one model, and that that should be driven by what is required in a the community, but I offer the work of Hantsdoc as one model that has worked for 14 years and served my constituency well.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Eighteen minutes remain before the debate is wound up, so I appeal to hon. Members to see if they can help each other in this respect.

6.22 pm

Mrs. Jacqui Lait (Beckenham) (Con): I will do my best to help, Mr. Deputy Speaker.

It is interesting that we have debated the problems of out-of-hours care. That follows endless debates over the years about abuse, or the increasing use, of accident and emergency services, the problems of single-handed doctors, the provision of GP services, and the wide range of options that exist for people to access health care outside the ordinary hours of a GP practice.

There are legitimate concerns about the out-of-hours care service. In defence of my own PCT, I should say that it is not a subject that has been raised a great deal with me, I am glad to say, but we have an extended 24-hour-a-day GP practice, a minor injuries unit, and a new accident and emergency department. However, we also have a high proportion of ageing single-handed practices, which is what has driven the breadth of provision.

Something profound is going on with people's access to out-of-hours care. Lest I be accused of being a hard-hearted Tory, I shall quote a comment from the hon. Member for South Derbyshire (Mr. Todd), who spoke about economic modelling in the health service. There is a demand, led by patients, for widening the different forms of provision. By concentrating on out-of-hours care today, minor injuries units in another debate tomorrow, or NHS Direct in a debate two weeks from now, we are not putting together the whole provision of out-of-hours care and ensuring that the models that we offer meet the demands of a patient-led service. That is what we would dearly like to move towards, and it is the basis of my Front-Bench team's proposals on that one issue of out-of-hours care. We are trying hard to take health care out of politics, and an NHS board would be able to look across health care provision to ensure that patient-led demand was met most appropriately.

As my hon. Friend the Member for Basingstoke (Mrs. Miller) said, there is a need for the out-of-hours service, for the terrified mother who has a child with croup, for the elderly person who suddenly has a fit, or for whatever the crisis might be. Those people cannot get to the extended GP service or to the minor injuries unit, and reaching A and E is even more difficult. However, we must bring into the debate how the ambulance service is used not just as an accident or crisis service, but almost as a social service.

I was out with an ambulance team when they were called to put an elderly gentleman back into bed after he had fallen out, and it became palpably obvious that he was lonely. He fell out of bed deliberately to get the ambulance team around—regularly, because they all knew him. That is an abuse of the ambulance service, but it highlights how the service should be part of a seamless out-of-hours service. By focusing on those different areas separately, we do not focus on how we can meet patients' demands, and that, more than anything else, is what the NHS should deliver.

6.27 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I shall try to be rapid. Out of hours comprises two thirds of the week, and most emergencies will therefore occur in

[Dr. Richard Taylor]

those two thirds, so it is important that we have high-quality, out-of-hours care. I am green with envy at the hon. Member for Basingstoke (Mrs. Miller), who still has the old system that good GPs used long before the GP contract came in. They knew that they could not cover in-hours care as well as out-of-hours care, so they got together, formed a co-operative—my own GPs did that—and, if there were 50 of them, three could be on call for a night on only one in 17 nights.

In the investigation by the Health Committee into out-of-hours care, it was recommended that such co-operatives have 80 GPs to cover holidays and time away, so that system could still be used. In the Committee's 2004 report on the out-of-hours service, we underlined the importance of GPs' expertise and knowledge. In a recommendation, we stated:

"It is therefore vital that they"

the GPs—

"do not become disengaged from the process of redesigning GP out-of-hours services during this critical transition phase, and their expertise and local knowledge lost."

Existing GPs are absolutely crucial to redesigning the process.

We know, and many hon. Members have said, that in some areas there are excellent out-of-hours services, while in others they are pretty awful. I have experience of them when they are not so good. I am purposely not naming any names, but, if such services are run by a private company, we can never discover how the tender was awarded, because of commercial confidentiality, and one has the distinct impression that the contracts are awarded simply on price. That means that the skill mix is reduced, because we have to employ fewer doctors and more emergency care practitioners. Emergency care practitioners drive themselves around, so it is not necessary to employ drivers to drive GPs around. It is obvious that when the tender is based on price, economies are made. That is why in many parts of the country it is very hard to get local GPs to take part in these rotas, so we then have foreign doctors taking part.

I am grateful to the Minister for explaining the controls that are meant to be in place for vetting doctors who take part in out-of-hours care. It is crucial to tighten up these systems. The Health Committee hopes, before the general election is called, to have single session on vetting systems to see what can be done to improve things.

We cannot go back to the old-style system; people who have it are extremely lucky, where it is really working. A GP who recently wrote to *The Independent* bewailing the changes and the surrender of 24-hour responsibility admitted that we cannot go back because GPs are becoming deskilled. Sitting in a GP's surgery looking after patients whom one knows very well with a condition that one knows very well is entirely different from having five to 10 minutes, in difficult circumstances, trying to work out if somebody is extremely ill or not.

Let me make—or repeat—one or two positive suggestions. Pay and conditions across the country must be as nearly similar as possible. In its submission for this debate, the BMA says that in some areas funding for out-of-hours care is only £3 per head, while in others it is £16. Are the best out-of-hours services those that are the best funded? We do not know, and a survey of that nature would be very helpful.

An absolutely vital move, for which I have been pushing since the tragedy in my constituency in 2007, is the 111 number. I think that the hon. Member for Basingstoke slightly misunderstood the importance of the 111 number, which is intended to bring together every other service apart from the emergency services. If someone knows that they need to call 999, okay, it is a matter of life and death, and that is what they do. If they live in my area, where there is no A and E department that they can walk into, they have seven or eight different alternatives. The whole point of the 111 number is that it is tied to the area that a person lives in, and with one call it tells them whether to ring NHS Direct, whether to go to the out-of-hours centre or whether to go to the minor injuries unit.

That system is absolutely ideal. If it is joined together with a really efficient triage system such as NHS pathways, which Ministers know all about, and which is being rolled out in some places, it could make a huge difference, particularly to people who do not have a local A and E department, and relieve the stress on A and E departments by ensuring that only the right people go there. Knowledge transfer, which has been mentioned, is crucial. Why cannot the triage people, as soon as somebody phones up, flash up their summary care record in front of them so that they know exactly what is going on?

Finally, I should like to clarify what the BMA said. For once, the BMA, which we in this place tend to think of as the doctor's union that thinks only of doctors, got it exactly right. I will read the very last bit of its submission:

"The BMA believes that standards of out-of-hours care could be improved if PCOs"

primary care organisations—

"involved local GPs in…commissioning".

It states not that GPs should do the commissioning, but that they should be involved in it and advise the primary care organisation. It goes on to say that that involvement should happen so that

"high-quality, timely and cost-effective services can be developed that are sensitive to local circumstances."

I cannot understand any political party disagreeing with that.

6.34 pm

Nadine Dorries (Mid-Bedfordshire) (Con): The Minister was right to identify fatigue as a reason for the out-of-hours service as we know it having been developed. Many GPs were very fatigued and it was impossible for them to continue under the system that was in place. However, the current out-of-hours system was then imposed on them, so my constituents went from having GPs who had no room for manoeuvre and were fatigued to having an out-of-hours service in which GPs are working abroad in Poland, Germany and other countries and flying over here on a Friday night. That service is therefore being delivered by fatigued out-of-hours doctors. At the great capital expense of changing one system to another, there is absolutely no difference in the level of care for many constituents—they are being provided with care by fatigued GPs. In many cases the care is much worse because of the language barrier and various other reasons that we have heard today.

There are attempts to minimise the importance of the rise in complaints, but I do not believe that we can do so. As we know, the people who complain about the out-of-hours care service are those who are able and motivated to do so. We do not find the poor complaining, because they are grateful to get any help they can. The vulnerable, the needy and the elderly do not complain, because it is not in their make-up to complain about something that they see they are getting for free, such as access to the NHS. Yet the poor, the elderly and the vulnerable are the people who will use the service the most. There are also parents with children, and they have other things to see to. We can therefore probably accept that the number of complaints should be ramped up to take into account those who do not complain.

We have a system that is no better for patients than the one that the Government were trying to replace. Amazingly, it is evaluated by response times, not by the quality of care that is delivered to patients. What is the point in thinking that the service is good if a GP is there within 20 minutes, if the care that he delivers when he arrives is of poor quality? That is simply not good enough. Should not the primary evaluation be the care that is delivered when the doctor arrives at a patient's house?

The hon. Member for Dartford (Dr. Stoate) said—I am sure he will correct me if I am wrong—that different GPs provide different care throughout the country, which is true. They are providing different care in communities that have varying needs, with different health care provision commissioned in different ways by varying PCTs. I imagine that it is almost impossible for a doctor to come from overseas, be in a different area each time he arrives here and know what he is supposed to deliver and how he is supposed to access the ongoing care that his patients need. Does it not therefore make sense to have local budgets, provided to GPs so that they can commission their own care in the way they need to?

I understand the concerns that the hon. Gentleman raised from his very experienced position. However, there are contracts and then there are contracts. There are ways for local GP practices to commission care so as to protect themselves, so that they are not ultimately responsible for the care delivered. That problem of responsibility needs to be circumnavigated. It should not be a wall that we come up against and say, "You know what? We can't do it, because it means the GP is ultimately going to be responsible."

My hon. Friend the Member for Basingstoke (Mrs. Miller) talked about the services in her area. I have similar services in Bedford. Our accident and emergency facility in Bedford hospital makes provision for patients to receive the equivalent of out-of-hours care for a certain amount of time. That is a good way of triaging out the patients who can be seen by nurses and out-of-hours doctors because otherwise they impose a cost on the PCT. It is an excellent model, but it cannot be delivered in rural areas or in every community throughout the country.

I believe that, although many GPs do not want to return to a system whereby they are exhausted and expected to work all week and then all weekend, they would welcome being trusted again with a real budget to commission the care that they need. They know their patients, the type of care that they need and how best to deliver a service locally. In many areas, GP practices are grouping together to provide their own out-of-hours service because they want to deliver a service locally that they know their communities need and appreciate.

If local people were unhappy with the service, would they not go straight to their GPs to complain? Is it not easier to complain to a GP if people are seeing him anyway, and they know that he is responsible for commissioning the out-of-hours care? Are not they likely to say, "I called out the doctor last Saturday, and I wasn't happy with what happened"? It is a much easier way for GPs to get to know what is delivered on the ground. They can then modify and adjust the service that they provide to suit their community.

Local budgets, practice-based commissioning, and GPs having a real responsibility for what they provide and how they provide it makes perfect sense for patient requirements, local needs and patients' ability to adapt that service if and when they want.

6.41 pm

Mike Penning (Hemel Hempstead) (Con): We have had an eminently sensible debate this afternoon. Hon. Members of all parties care about the quality of care that our constituents get. Sometimes we disagree slightly—and sometimes more than slightly—about how it is delivered, but we all care passionately.

Contributions have been measured and understandably passionate. I pay tribute to my hon. Friend the Member for North-East Cambridgeshire (Mr. Moss), who, like us all, would have loved to raise constituency concerns and effects on his constituency. His speech was extremely measured, and he will be a great loss to the House when he retires at the next election.

I am conscious that other hon. Members are retiring at the next election, and I apologise if I do not have time to respond to all who spoke.

The key to many of the contributions was safety—for our constituents and the patients who look to the NHS to give them the care that they deserve and that we would all expect. The problem with the existing contract is that many patients do not feel they are given the care that they deserve, whether they live in rural or urban areas. We have heard much about the different sorts of care that we are offered in rural as well as urban areas. My seat is both very rural and very urban, so I well understand the problems.

The hon. Member for South Derbyshire (Mr. Todd), who eventually decided to take part in the debate—I understand why, and I repeat that it was a sensible debate—made some important points. The first was about knowledge and records. Do people who are called out out of hours know the patients' concerns? We talked about multiple sclerosis, motor neurone disease and other conditions. It is imperative that that information is available when possible. That is why the link to the GP is so important.

As the hon. Member for Dartford (Dr. Stoate) knows, I often bow to his medical knowledge. He is a GP, and I serve on the Health Committee with him. I think he said that GPs grabbed the contract with both hands only to remove the risk and perhaps some of the tiredness from it. That is not quite right. GPs were offered a contract by the Government in 2004—frankly, if they had not bitten their arm off, they would have been silly.

[Mike Penning]

because the financial benefits were huge. The contract was fantastic for GPs who had been working through the nights and at weekends. All they had to do was give up £6,000 a year—£120 a week. Nine out of 10 did that. I do not think anyone would take on such a work load for such a small amount of money. It is difficult for a hard-working MP who is also a GP to say that this is about tiredness. Surely he is exhausted when he leaves the House late at night or in the early hours of the morning and goes on to be a GP in the morning. The amount of work he does in his constituency must make him a very tired GP, which is worrying.

My hon. Friend the Member for Mid-Bedfordshire (Nadine Dorries), like many colleagues, touched on continuity and safety for patients and what they expect from the NHS. The debate has been very much about—I hope—patient-led services. The key is not what the NHS, GPs or NHS Direct want, but what is right and proper for patients. Quite rightly, we have talked extensively about GPs and GPs out of hours, but that is only part of what we should rightly talk about today.

My hon. Friend the Member for Beckenham (Mrs. Lait) said that we should have a debate not about NHS Direct, out-of-hours care and A and E, but about what a joined-up package would be. One problem with the existing PCT packages is that they are not integrated. There are myriad contacts out there—there are polyclinics and Darzi clinics, care clinics, walk-in units, GP surgeries in railway stations, NHS Direct and NHS Choices.

There are so many different things that it is not surprising that our constituents are confused, which is why I was over the moon when the Government adopted our policy of going to a second number, 111. The number is fine, but do the Government understand what it should involve? I was slightly concerned when my good friend, the hon. Member for Wyre Forest (Dr. Taylor), said that people could be given another number to call after they called 111. That is not the idea. The idea is that people should be triaged through the phone system. Once they have had the courage or fear, or felt the need, to pick up the phone, they should be able to triage right the way through. Once they have dialled 111, they should be able to go all the way through so they can find out which pharmacy is open that night, whether they need to go to A and E, or whether an ambulance should be called to them immediately.

I understand that none of the three pilots includes access through the web portal, which is wrong. We need to have a joined-up situation. We should offer a single 111 service, but it should be replicated on the web. At the moment, that is not included in the pilots. Will the Minister look at that, because it is very important?

Finally, if we want to talk about out-of-hours services, we must look at the emergency care single pathway. As I said, the 111 number is eminently sensible, and I am pleased the Government are using it, but we must look at what service is needed by our constituents when they phone up. Should we look at pharmacies, walk-in centres and social care? Should it be possible to tell people whether they need to make a GP appointment the next day, whether a paramedic needs to be sent straight away and whether that should be a single-responder?

The Minister would be surprised if I did not mention out-of-hours dentistry, which is in crisis—dentistry is in crisis during the day and at night. If the Minister went to A and E units at night and talked to patients, he would find a huge number who are there simply because they cannot get a dentist during the day. We know that in excess of 1 million patients cannot access NHS dentistry, but when people are in pain and turn up at A and E, we need to ensure that the skill base is available for them.

My hon. Friend the Member for Basingstoke (Mrs. Miller) mentioned walk-in centres integrating with A and E. I have seen that in action and it absolutely works around the country and releases a lot of the pressure from existing A and E units. I am sure all hon. Members visit their A and E units—I am lucky enough to go and visit very many. Many patients could have been seen at a minor injuries unit, but they go to the A and E because they feel safe. Many in A and E wanted to get a GP appointment but could not, and many are sent to A and E after a long call to NHS Direct, when they could have been triaged in a much better way.

Working as an integrated service is crucial if we are to have the out-of-hours and urgent care that we need. The Government disagree with our policies—that is their prerogative—but they should call an election and let the public decide.

6.49 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): I too wish to say how well this debate has gone. There have been improvements in out-of-hours services in the last 12 years. They are good, but they are not great. They have let some people down and we need to improve them further. That is why we have asked Professor Steve Field, the chairman of the Royal College of General Practitioners, and Dr. David Colin-Thomé, the director of primary care services in England, to review the out-of-hours service. The report by the Quality Care Commission will also be presented shortly. We have more work to do on out-of-hours services and we intend to improve them. We need to ensure that PCTs and employers do the checks that are needed.

The hon. Member for North Norfolk (Norman Lamb) said that he wanted to see checks on language and professional competence, and that those should be carried out by the GMC. He claimed that that would require changes to the EU directive. We cannot wait that long. The issues need to be addressed now. PCTs have a legal responsibility to ensure competence in the English language and the practice of medicine. Employers should also have that responsibility, and we need to ensure that that is done. Reform of the EU directive is not necessary to achieve that.

My right hon. Friend the Member for Rother Valley (Mr. Barron) chairs the Health Committee and is well known for his detailed opinions on health. I shall address his points throughout my speech. As my hon. Friend the Member for Dartford (Dr. Stoate) said, with obvious authority, responsibility for out-of-hours services lies with the PCT. The hon. Member for Boston and Skegness (Mark Simmonds) says that he would transfer responsibility for commissioning of out-of-hours services to GPs. They would therefore be liable in law for any failures by locums they employ, or any negligence or failures by an

employed GP. It is no wonder that the BMA is concerned about Conservative policy, which would lay a similar liability on GPs to that which they had before 2004.

My hon. Friend the Member for South Derbyshire (Mr. Todd) spoke movingly about the care of long-term conditions. Such conditions require a different out-of-hours service. In many instances, they require a rapid response team, and many such teams are in place. They are multi-disciplinary, including paramedics and specialist nurses. The hon. Members for Basingstoke (Mrs. Miller) and for Beckenham (Mrs. Lait) also spoke of the need for health care teams with different skills, including physiotherapists, paramedics and nurses.

Martin Salter (Reading, West) (Lab): My hon. Friend mentions nursing. I am interested in the development of policy in that area. Does she intend to follow the Leader of the Opposition and meet the Nurses for Reform campaign group which advocates the wholesale privatisation of the NHS, including out-of-hours care?

Ann Keen: My hon. Friend raises an important point. I wonder whether Opposition Front Benchers have met that group—*[Interruption.]* Have you met them? *[Interruption.]*

Mr. Deputy Speaker: Order. I have not met anyone.

Ann Keen: From what I have read of that group, my hon. Friend's remarks are very worrying.

The hon. Member for Wyre Forest (Dr. Taylor) spoke of the 111 system, which will be excellent. I am pleased to see that the pilots may be ready as early as May or June. He made a point about the BMA involving GPs in commissioning, but I would go further and look for more nursing staff to be involved in the commissioning of services.

As usual, the comments by the hon. Member for Mid-Bedfordshire (Nadine Dorries) did not disappoint me.

I thank all hon. Members who contributed to this debate and I know that they would want to thank NHS staff. Illness, accidents and ailments pay no attention to the time of day, so we must do all that we can to ensure that patients get the right treatment, at the right time and in the right place, and we must have a system of out-of-hours and urgent care that is achieving that goal. People can now access the NHS in more ways than ever before: through one of the 112 new GP surgeries in the areas with the fewest doctors and the greatest need, and through the new GP-led health centres, of which there is one in every primary care trust, open from 8 am until 8 pm, seven days a week, 365 days a year—there is an excellent one up and running in the heart of Hounslow, and the treatment for my constituents is second to none. People can also access the NHS through local pharmacies, some of which are now open seven days a week and into the night; through minor injuries units and urgent care centres, many of which are nurse-led; and through NHS Direct, either over the phone or online. With so many options to choose from, it is important to give patients and local communities the information to get the help that they need.

The hon. Members for North-East Cambridgeshire (Mr. Moss) and for North Norfolk talked about the patient, Mr. David Gray. Many have expressed their concern and sympathy about that case, and I would like to align myself with that and with the dignity shown by the hon. Member for North-East Cambridgeshire.

We owe the NHS a great tribute, but we also owe our patients and constituents right and safe care, whether in respect of long-term conditions or urgent dental treatment—many of our dental practices also operate out-of-hours services. Many dentists should be commended for their work rather than constantly criticised for a lack of commitment. They want to contribute to primary care in every way possible by being at the heart of our communities, and many want to, and will, work in the walk-in centres of the future. We are encouraged by the people who work in the NHS and, in particular, by how people want to work in communities. It has been difficult to correct the out-of-hours service, which before 2004 was not effective, but equally the schemes now in place will need the review to be led by Professor Stephen Field. When he reports back, which should be soon, I believe that we will act on it.

We have said that we will address the areas of change in relation to the European rulings, and that we will look at commissioning, because that is key to providing the correct services for all patients. Any GP working for out-of-hours providers is subject to the same checks as all other doctors working in general practice in England. Employers have a duty to ensure that all the doctors whom they employ are suitable for the provision of the services that they are employed to provide, and all doctors, including locums, must be on a PCT's performers list before they can provide primary medical services.

Concerns about individual doctors can be investigated by the GMC, which can, when justified, remove a doctor from the medical register on fitness-to-practise grounds. All our services must be safe and of a high quality. They will be checked by the Care Quality Commission or the other regulators that will be needed. When I look at the extension of patient services since the resources that have been put into the health service, I feel confident that we will continue to improve our practices in every way possible for our constituents, and that is thanks to NHS staff and the commitment that they show.

Question put (Standing Order No. 31(2)), That the original words stand part of the Question.

The House divided: Ayes 176, Noes 267.

Division No. 64] **[6.59 pm**

AYES

Afriyie, Adam	Brady, Mr. Graham
Ainsworth, Mr. Peter	Brazier, Mr. Julian
Amess, Mr. David	Brooke, Annette
Ancram, rh Mr. Michael	Browne, Mr. Jeremy
Arbuthnot, rh Mr. James	Browning, Angela
Atkinson, Mr. Peter	Burns, Mr. Simon
Bacon, Mr. Richard	Burt, Alistair
Baker, Norman	Cable, Dr. Vincent
Baldry, Tony	Carswell, Mr. Douglas
Baron, Mr. John	Cash, Mr. William
Beith, rh Sir Alan	Chope, Mr. Christopher
Bellingham, Mr. Henry	Clark, Greg
Benyon, Mr. Richard	Clarke, rh Mr. Kenneth
Beresford, Sir Paul	Clifton-Brown, Mr. Geoffrey
Binley, Mr. Brian	Cox, Mr. Geoffrey
Blunt, Mr. Crispin	Curry, rh Mr. David
Bone, Mr. Peter	

Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Huhne, Chris
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Maples, Mr. John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Williams, Mark
Williams, Mr. Roger
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Stephen Crabb and Bill Wiggin

NOES

Abbott, Ms Diane
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.

Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony

Tellers for the Noes:
Steve McCabe and Mrs. Sharon Hodgson

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)).

That the proposed words be there added.

Question agreed to.

Main Question, as amended, put and agreed to.

Resolved,

That this House supports family doctors as the bedrock of healthcare services in the NHS; welcomes the improvements in out-of-hours and urgent care services over the last 12 years; notes that the Carson report in 2000 identified the need for the reform of out-of-hours care which was carried out in 2004; further notes that by the start of 2004 only five per cent. of patients saw their own GP out of hours; acknowledges that GP organisations say that they do not want a return to the system which existed in 1997; understands the continuing need to improve the quality of out-of-hours care; notes that the Government commissioned the first national out-of-hours benchmark to help primary care trusts and providers improve the quality and productivity of out-of-hours services and to reduce local variation; recognises the improvement in healthcare after the introduction of the GP contract in 2004, which has significantly extended weekend and evening opening of surgeries for routine, bookable appointments; recognises that over 77 per cent. of GP practices now offer extended opening hours and that every primary care trust is developing a new GP-led health centre, open from 8 am until 8 pm, seven days a week, 365 days a year; and welcomes plans for people who need urgent care to be able to dial 111 for advice 24 hours a day, seven days a week.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

Road Traffic

That the draft Motor Vehicles (International Circulation) (Amendment) Order 2010,which was laid before this House on 5 January, be approved. —*(Helen Jones.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

Planning

That the draft Overhead Lines (Exempt Installations) Order 2010, which was laid before this House on 6 January, be approved. —*(Helen Jones.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order no. 119(11)).

EU Enlargement Strategy

That this House takes note of European Union Document No. 14513/09, Commission Communication on Enlargement Strategy and Main Challenges 2009-10; and supports the Government's policy that Turkey, Croatia, Iceland and all the countries of the Western Balkans should be able to join the EU when they meet the criteria. —*(Helen Jones.)*

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 3 February (Standing Order No. 41A).

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Thursday 28 January, notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means may be entered upon at any hour, and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business. —*(Helen Jones.)*

Hon. Members: Object.

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Motion made,

That, for the purposes of its approval under section 5 of the European Communities (Amendment) Act 1993, the Government's assessment as set out in the Pre-Budget Report 2009 shall be treated as if it were an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees). —*(Helen Jones.)*

Hon. Members: Object.

Barry Gardiner (Brent, North) (Lab): On a point of order, Mr. Deputy Speaker. Mr. Speaker has given his full support to the work of the Youth Parliament and I seek your ruling, Mr. Deputy Speaker, as to whether it is in order for a public body to seek to intimidate its members in any way.

Recently, my hon. Friend the Member for Brent, South (Ms Butler) invited young people who were members of her Facebook group to visit her in Parliament. Many of those young people were also members of the Brent Youth Parliament. Shortly thereafter, members of the Youth Parliament received a letter from Brent council's senior lawyer. The letter stressed that Brent Youth Parliament is supported by the London borough of Brent and it counselled them as follows: "You will obviously need to give careful consideration as to whether you wish to align yourself with a particular person or group and what impact this may have on others' perception of you as a Brent Youth Parliament member. If you do decide to participate in local politics, you will need to give consideration as to which person or group you are willing to be connected with and any implications of this."

Many of these young people have been frightened by the letter and regard it as a warning shot. They have previously believed that Brent council was encouraging young people to become politically active, but they now consider that it encourages them only if they are sympathetic to the Liberal Democrats. What action can this House take to ensure that these young people are not bullied in this way by a local authority?

Mr. Deputy Speaker (Sir Alan Haselhurst): May I say to the hon. Gentleman that that is not a point of order for the Chair? I think that it is a matter that he might have dealt with better by writing to Mr. Speaker, whose interest in the matter he has cited. This is now taking time out of the Adjournment debate. He has put that on the record and he may wish to take it further in the manner that I have suggested.

Primary and Secondary Education (Devon)

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Jones.)*

7.18 pm

Richard Younger-Ross (Teignbridge) (LD): Devon's education authority is one of the worst funded in the country; its standing is 148th out of 151. Indeed, only Leicestershire, South Gloucestershire and Hertfordshire have less per pupil funding than Devon. This is not a new problem; it dates back to the funding formulas set up in the 1980s.

I wish to cite what a local head teacher has said and to give voice to the number of people from across Devon who are concerned about the issue. This is about their concern and anger, so I wish to put their words on the record.

Chris Bray, who was head of the Abbotskerswell school, said that when he was head the Conservative Government brought in a funding system that gave Devon schools less than virtually every other authority in England—£96 per pupil in 1994, rising to £145 in 1995—and that it has continued to get worse. That is the gap in funding, on average, compared with the rest of the country.

Recognition has to be given that the Labour Government have put more money into education, but the system of grant per pupil is now worse because it is fixed on a cost-plus basis rather being based on the criteria of what drives the costs in the school. Changes in make up and in deprivation in an area are no longer a matter for consideration because the funding is fixed at a point in time five years ago, when the current criteria were set up, using a faulty system, as I have already explained, from 20 years before that.

The top funded council in the country is currently the City of London, where pupils get a grant in the order of £7,603. The 10 best funded areas per pupil receive £6,252. The national average funding for each school pupil is £4,217. In Devon, it is only £3,842. I am at a loss to understand how that grant of £375 less than the national average can be justified. I looked at the individual schools, and we worked out a little list from the rolls of the schools in my constituency. Let me pick a couple of examples.

Abbotskerswell primary, a small school, has a funding deficit of £29,250. Let me look at some of the larger schools. Hazeldown, which is also a primary school, has a deficit of £145,000. The situation for the secondary schools is even worse. Dawlish community college is losing £324,000, Teignmouth community college £394,000, South Dartmoor community college £615,000, Teign school £519,000 and Newton Abbot college £362,000. Those are all substantive sums of money—enough, in most cases, to employ 10 teachers. That is one of the main complaints of pupils, parents, governors and teachers. Given more resources, they could do more with what they have.

It can be argued that in Devon, of course, we do very well. We have high standards and educational attainment is in the top third in the country. That is true, but it is no good just considering the 50 per cent. We must consider the rest of the pupils and what happens to them. It is the pupils who have difficulties, who have been statemented

or who come from areas of social deprivation who are losing out. I would consider it a fundamental aim of any education system to create equal opportunity, and that is being lost in Devon because it is not getting a fair slice of the cake. The original formula fails to take into account the rural deprivation in Devon and the costs associated with travel for pupils and staff.

Mr. Hugo Swire (East Devon) (Con): Devon county council is responsible for 8,000 miles of road, more than any other authority in the country. The school transport bill is now in excess of £22 million a year. Does the hon. Gentleman not agree that any fair funding formula for education in Devon must take into account rural sparsity and the high cost of transporting children to school?

Richard Younger-Ross: The hon. Gentleman makes a very good point: of course any such formula must take account of that. Indeed, the director formerly responsible for the county's highways and environment was wont to say that there were more roads in Devon when Plymouth and Torbay were part of the greater council than there were in the whole of Belgium. That gives some idea of the scale of the problem. Plymouth and Torbay are no longer part of that road network, but it is still vast and people still have large distances to travel.

I know that the hon. Member for East Devon (Mr. Swire) has a large constituency, but mine covers 660 square miles. It takes me two hours to get from one side to the other. People live in small pockets, and they have to travel long distances to get to the main hubs and to their schools. He has made a very good point.

The great distances that people must travel affect pupils' attendance at after-school clubs, and also parental choice, as the options are reduced. The county has a real problem when people who wish to assert their parental choice are denied it because the travel budget has to be made to work. In one year, the Government allocated some £5 million in grant for travel—I am not sure of the exact figure—yet the real cost was three times that. As a result, the county had to take money from elsewhere to be able to fund its transport needs.

A slight reduction in pupil numbers results in a grant cut, yet core staff must still meet curriculum requirements. That is a particular problem for the small schools that are to be found in rural areas. A campaign group, the F40 group, is campaigning for under-funded education authorities. When the Minister for Schools and Learners addressed its conference on 3 November, he said:

"We want to work with F40 to make sure that that fairness I've talked about is built into dedicated schools grant funding from design stage to distribution. It's one of the reasons why we ordered the funding review last year—so that we can develop a single, transparent formula for the distribution of DSG that's in line with relative need."

We welcome what the Minister said, but in answer to the question of whether the Government were still committed to small schools, he said:

"Yes, we are. We know that they're an important part of the rural landscape and an important factor in keeping rural communities alive. And I am pleased to say that the presumption against closing rural schools, which we introduced in 1998, has reduced the number of closures from around 30 a year to an average of around 9 or 10 a year now."

In my view, nine or 10 small rural schools closing every year is still too many. They are the heart of their communities, and they have an important role to play in keeping them together.

Devon county council has launched a campaign for fair funding. In a press release dated 16 October, the chairman of the Devon Association of Primary Headteachers—Gary Chown, the head teacher at Tiverton's Wilcombe primary school—said:

"We are not asking for special treatment. What we want is for Devon's schoolchildren to be treated fairly."

He went on to say that

"staff costs account for around 80 per cent. of a school's running costs. It costs roughly the same to employ a teacher anywhere in the country because of the national pay scales. Books and equipment cost the same. So do most of the running costs of a school. And in Devon many remote schools have to pay more for such services as Broadband because of their distance from the main hub."

The chairman of the Devon Association of Governors, Don Paterson, is also chairman of the governors of Newton Abbott college in my constituency. He said:

"We do not dispute for a moment that the Government has put more money since 1997, but percentage increases in school funding merely means that the gap is widening all the time between Devon schools and their better-funded colleagues in other parts of the country."

Josh Wright, the spokesman for the teachers' unions, teaches at Honiton's community college, and the Minister might expect him to be on the Government's side.

He said:

"My colleagues are at the chalk face, and we know what a difference we could make to our students' education if we were fairly funded. An extra teaching assistant, another field trip or an additional piece of kit in the classroom could really help a student to get the best from their education. Children only get one chance at education and it is really unfair that Devon children are penalised because of the postcode lottery of school funding."

Other quotes have been sent to me since I secured the debate, and I shall read out a couple more before I conclude and allow the Minister to respond. I could actually have read out enough to fill 45 minutes—I know that I cannot, Mr. Deputy Speaker, and I do not intend to do so. Such is people's anger that when I sent out a request for them to write to me, my inbox was flooded with e-mails from constituents.

Nick D'Agorne, head of North Tawton primary school, said:

"As regards unfair funding, all I need to do is share with you our class sizes!...I have had to refuse three families last term as we cannot fit the children into the large classes. So why not employ another teacher? We are unable to employ another teacher as we would have to make TAs redundant and not give support for the teachers in the mornings."

Jo Frith, a governor at the Littletown primary school in Honiton, said:

"At current levels of DSG settlement, we are predicting that we will have to have mixed-year group classes in key stage 2, with more than 30 per class in order just to keep ourselves in the black".

Is it not a disgrace that after years of promises on "Education, education, education", schools have been forced to adopt class sizes of over 30? I thought that we had a commitment to get rid of that.

I shall end with a final quote, from David Fitzsimmons, the principal of Holsworthy community college:

"If we truly want to achieve a world class education system, we have to tackle the underachievement and the needs of the 50 per cent. or so of children and young people who are not achieving the national benchmark in GCSE results tables."

[Richard Younger-Ross]

In short, it is a disgrace that for the past 20 years, Devon schools have not received what they should have received to enable them to educate the young people—the children, the school pupils—in Devon. The fact that they achieve such high results, with such meagre resources, is a testament to their dedication, which is what I would expect from their profession. The Government are reviewing the system, and I welcome their recognition that it is not quite how it should be. In doing so, I hope that the Minister will be positive and say, "It is not necessarily broke, but it ain't working quite as it ought to." Is it not time that local authorities such as Devon had their fair share of the cake?

7.33 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): I congratulate the hon. Member for Teignbridge (Richard Younger-Ross) on securing this debate.

The funding of education is a topic that my Department takes seriously, and we want to make sure that we get the right amount of funding for our schools, because that allows our schools to give the right amount of support to their students, as well as enabling them to pay for the appropriate numbers of staff to meet the needs of their pupils and manage the upkeep of their school. Funding in Devon has been the subject of previous meetings with other hon. Members and has led to a petition on the No. 10. website. The campaign has been very effective in raising the issue.

Before I address the concerns that the hon. Gentleman raised, it is appropriate for me to point out the unprecedented funding that the Department has given to address decades of underinvestment in our schools. I am pleased that he recognised and paid tribute to that. There has been a national revenue funding increase of £2,410 per pupil between 1997 and 2010. That has seen the previous average revenue funding of £1,808 that was spent on each pupil back in 1997 increased to record levels of investment of £4,218 in 2010.

We want to ensure that that investment is built upon steadily, so that each school gets the right amount of funding to support its students and staff. That was the chief aim when we set up the dedicated schools grant in 2006. The amount was calculated by the SpendPlus model, which took the per-pupil spend by each local authority in 2005-06 and applied an increase to it. This model of funding was used in 2006-07 and 2007-08 and, following extensive consultation with a wide range of stakeholders, it was decided that the formula would also be used for 2008 to 2011. Using the formula has created stable and predictable funding levels for all local authorities. It is worth noting that in the pre-Budget report in December 2009, there was a significant commitment to increase spending on schools in real terms between 2011 and 2013.

That brings me on to funding for Devon. I understand that the funding that schools in Devon receive has been an issue for some time, and that there has been a debate about it for several years. I appreciate the concerns of the hon. Members for Teignbridge and for East Devon (Mr. Swire). It is our intention to provide all schools with the appropriate funding for their area. We want to ensure that all children get an excellent education, and children from disadvantaged backgrounds need extra support from their school to make that a reality.

Such support requires funding, and the appropriate school funding reflects the needs of each area. Devon has fewer pupils from disadvantaged backgrounds than other local authorities, which is a contributing factor to the amount that it receives. Only 8.5 per cent. of Devon's funding settlement in 2009-10 was for disadvantaged pupils. That compares with the national average of 12 per cent.

Let me pick up on the comment from the hon. Member for East Devon about school transport. School transport is funded not from the dedicated schools grant, but from the general local government fund. Part of the funding in the dedicated schools grant is specifically for sparsely populated areas, because we all recognise that the cost of running a small rural school is much higher than the cost of running an inner-city school. Consequently, Devon will receive this year £9.38 million to cover the cost of its sparsely populated areas.

Mr. Swire: I am aware of the dedicated schools grant of £9.38 million to cover all aspects of sparsity, but the transport bill is more than £22 million a year.

Ms Johnson: I heard the hon. Gentleman's comments on that, but as we are talking about the funding that goes into schools in Devon, I thought it was worth making it clear that that part of the expenditure on school transport is separate from the school funding directly to schools, which is the main thrust of the debate.

Staffing, managing staff and how much teachers are paid were among the issues raised. Schools are free to make choices between priorities, but they have a responsibility to make tough decisions and to operate within their funding allocation. It should be a matter of course for each school to review how it deploys its resources, including staffing.

On rural deprivation, I appreciate that young people in rural areas may find it more difficult sometimes to access services and opportunities, but we still have high expectations of services and activities being made available in all areas, not just in towns and cities. The White Paper "Your child, your school, our future" published last year set out our vision for a 21st century schools system, in which every child can get access to the support and activities that they need to succeed.

Richard Younger-Ross: Does the Minister accept that it is very difficult to measure rural deprivation? One reason why Devon loses out on funding is that the measures that are used to look for rural deprivation are a very blunt instrument. We need far more refined tools to work out the real poverty and deprivation in rural areas.

Ms Johnson: I am certainly happy to come on to deprivation as one issue that might be put out to consultation when we consider the funding formula that we use in future.

To return to our expectations, we recognise that schools will not be able to deliver everything on their own, and that is why we are encouraging schools to work in partnership with other schools and services,

especially in rural areas. Our expectation is that they will work together to deliver for all their pupils, using pooled and combined budgets where appropriate to maximise efficiency and get the most from their money. On raising Devon's funding to the national average, I should say that funding should reflect the needs of each local authority, so some authorities will receive an education settlement that is lower than others. I appreciate that the current funding methodology does not necessarily wholly reflect the costs and pressures that local authorities face, but the hon. Gentleman will understand that the SpendPlus model has brought a great degree of stability and predictability to the system. Indeed, the guaranteed units of funding for 2010-11 have been available since 2007, enabling schools and local authorities to plan effectively, but we recognise the need to move to a needs-based formula, and that is why we are undertaking the dedicated schools grant review. With 152 local authorities to fund, with many costs and pressures to consider and with a finite amount of funding to distribute, it is not right for everyone to receive the national average. It is right that we invest our resources where they are most needed.

Let me be clear: there will be no change to the Government's funding settlement for education in 2010-11. In 2007, we consulted on the school funding arrangements for 2008 to 2011, which we published prior to our announcement for the settlement in November 2007. The Department has been very open, highlighting since then that the current spending period will not be as generous as in previous years. It would not be right to reopen the funding settlement now. Doing so would create additional pressure on an already tight settlement and take away from the excellent work that local authorities and schools have done, through planning, on how to use that money effectively. Devon county council, like all other local authorities, has had an indicative budget for three years since 2007 in order to enable it to plan and use the money wisely.

I agree with the hon. Gentleman that the funding of schools should be fair and even throughout the country, and that is why we are carrying out a review of the dedicated schools grant. We want to be able to develop a formula for use from 2011-12 and onwards that properly reflects the needs of every local authority. We have to take into account factors such as deprivation, the number of high-cost pupils, sparsity and the higher cost of employment. At this point, I cannot commit to the outcome of the review or promise what the formula will be, but the hon. Gentleman should know that we are working very hard towards a fairer funding system, and we expect to publish the consultation soon.

In conclusion, I again commend the hon. Gentleman for his proactive role in bringing this topic to the Floor of the House. I hope that he, along with other hon. Members who represent that part of the country, will feel able to participate in the consultation on the dedicated schools grant, once it is published in the weeks ahead.

Question put and agreed to.

7.43 pm

House adjourned.

House of Commons

Thursday 28 January 2010

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Minister of State was asked—

Swindon to Kemble Railway Line

1. **Mr. Laurence Robertson** (Tewkesbury) (Con): What recent assessment he has made of progress on his Department's feasibility study into the doubling of the Swindon to Kemble railway line; and if he will make a statement. [313710]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): Officials at the Department for Transport are currently in detailed discussions with Network Rail to determine an acceptable price for this work along with time scales for construction. We hope to be in a position to give further information on the matter in the near future.

Mr. Robertson: I am grateful to the Minister for his response. Do I take it that there will be a decision to go ahead with the redoubling of the line, which is important to people who live in Cheltenham and Gloucester—a major town and an historic major city? The rail link between those places and London is unacceptably slow, unreliable and expensive, and people in the area, including many of my constituents, need to see an improvement. Will the Minister give us an assurance that we will move in the right direction on this one?

Chris Mole: The Secretary of State and the Minister for the South West strongly support the scheme, which opens up the possibility for increases in service frequency to Gloucester and beyond, as well as providing an improved diversionary route to and from south Wales. Departmental officials, as I have said, are working closely with Network Rail to ensure that it can introduce a scheme that is affordable within the resources available to the region.

Mr. David Drew (Stroud) (Lab/Co-op): I hear what my hon. Friend has said, but if Network Rail has come up with a figure of £65 million, rather than £45 million, which is what we thought that it would be, can we have an urgent meeting with him and Network Rail to look at how we can make the scheme affordable, because as my neighbour, the hon. Member for Tewkesbury (Mr. Robertson), has said, it is vital that that programmed work is undertaken?

Chris Mole: I am always happy to discuss with local Members progress on schemes in their areas. If Network Rail comes up with one figure or another, we will continue to discuss it.

Mr. James Gray (North Wiltshire) (Con): I, too, broadly welcome the redoubling of the line, largely through my constituency, on behalf of my constituents who commute from Kemble. None the less, in proposing these plans, will the Minister bear in mind the interests of the people who live alongside the line, particularly in the village of Minety, who are concerned that there will be too much extra traffic on the line, and who seek local improvements if the redoubling goes ahead?

Chris Mole: We always expect the concerns of local constituents to be taken into account, but the objective of the improvements is to enable additional trains to run and to provide the option of a diversionary route for south Wales.

Norman Baker (Lewes) (LD): The Swindon to Kemble stretch of line is of major strategic significance, and it is a public policy failure that we have not been able to redouble it so far. Given the expected increase in passenger traffic over the next 10 or 20 years, will we have a policy of reopening lines and stations that should not have been closed in the first place, and of redoubling lines that should not have been singled? If the Scots and the Welsh can successfully reopen railway lines, why can we not do so in England?

Chris Mole: Of course, we can and do, but it is a question of the affordability of any scheme that is introduced at any particular time. If the hon. Gentleman is saying that his party would make additional resources available for capital investment in the railways, it is something to which we would be sympathetic.

Ticket Offices

2. **Lynne Featherstone** (Hornsey and Wood Green) (LD): What recent representations he has received on railway station ticket office opening times in Hornsey and Wood Green constituency. [313711]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): No representations have been received on this matter since the hon. Lady last wrote to the Secretary of State about it in October 2009.

Lynne Featherstone (Hornsey and Wood Green) (LD): I am sure that the Minister is aware of the Secretary of State's successful intervention to halt the plans of South West Trains to close ticket offices. What consideration has his Department given to using those powers on First Capital Connect in my constituency? What criteria does he use for such an intervention, and will he make a commitment to review the recent closures, which have damaged safety at stations in my constituency, with a view to using those powers in Hornsey and Wood Green?

Mr. Speaker: I heard three questions, but one answer will suffice.

Chris Mole: The Secretary of State has no powers to object to major changes under the ticketing and settlement agreement where passenger representative groups have not sustained objections. In this case, FCC agreed to monitor sales of tickets at weekends over an eight-week period last autumn. The Department has not yet received details of that assessment, and will continue to pursue that train operating company for that data, which are months overdue. I am sure that in raising the question, the hon. Lady has reminded FirstGroup of its commitment.

Tramlink (Crystal Palace)

3. **Mr. Andrew Pelling** (Croydon, Central) (Ind): How much funding his Department has provided to the Greater London Authority for the extension of Tramlink to Crystal Palace. [313712]

The Minister of State, Department for Transport (Mr. Sadiq Khan): The Department has not received any bids for funding an extension to the Croydon Tramlink.

The Department for Transport provides substantial funding to Transport for London in the form of a block grant. My Department's funding for TfL has risen dramatically since 2000, more than doubling to just less than £3 billion in 2009-10 and rising to £3.3 billion next year. That funding is not ring-fenced to specific projects, and it is for the Mayor and TfL to prioritise spending to deliver transport services in London as they see fit.

Mr. Pelling: The Minister is right. Substantial moneys have been given for investment in public transport in London, but the Crystal Palace extension, which was on the agenda under Ken Livingstone's mayoralty, offered the prospect of regeneration for deprived parts of my constituency. Traders in Upper Norwood strongly support such a scheme, and there is close to unanimous support in the community. Is it time for the Government, Transport for London and the Mayor to get together to try and get the scheme back on the agenda?

Mr. Khan: I know that the hon. Gentleman's constituents always watch Transport questions. If they are not doing so, it is important that he reports back to them the bad news that the current Mayor's business plan for 2009 includes no proposals for the Croydon Tramlink. In his draft transport strategy, the Mayor mentions the extension of Tramlink after 2020, with no commitment to any additional funding. One of the downsides of voting for the present Mayor is that areas such as Croydon are neglected.

First Capital Connect (Thameslink)

4. **Simon Hughes** (North Southwark and Bermondsey) (LD): What assessment he has made of the effects on the economy of London of recent disruptions in First Capital Connect's Thameslink service. [313713]

The Minister of State, Department for Transport (Mr. Sadiq Khan): There have been severe problems with First Capital Connect's service. The service continues to be unacceptable in terms of cancellations, punctuality and passenger service and information. The poor service has caused disruption for passengers and will inevitably have had some impact on London's economy. My noble Friend the Secretary of State and I are considering all options open to the Government to require radical improvements.

Simon Hughes: The Minister will know that not only my constituents, but many, many others have got so frustrated that the number of people petitioning the Government to do something now is growing by the day. Will he assure us that a decision will be taken not on the basis of defending the ideology of sustaining franchises, but in the interests of commuters and other users of the service, and that the users of the service will hear something soon?

Mr. Khan: The way in which the hon. Gentleman asked the question is important, as is the point that he has made. Hundreds of thousands of commuters have received an appalling service, not for one week or one month, but over a period of three months. We take the matter seriously, and the Secretary of State and I discuss it daily with the train operating company, which includes telephone calls, meetings and letters. The hon. Gentleman is right to remind us that each day the service is not improved is another day of suffering for passengers, and there is a cost to London as well.

Kelvin Hopkins (Luton, North) (Lab): Thousands of my constituents travel every day by First Capital Connect, as do I, and we can give a daily account of the failings of that company, which has shown itself to be totally incompetent and interested only in making money, not providing a service. I urge my right hon. Friend to give serious consideration to taking the franchise away and bringing it back to the public sector.

Mr. Khan: All options are on the table. I hear my hon. Friend's representations, as I listen to all representations. The point made in the previous question is important. We must not allow dogma to dictate the quality of service, or lack of it, that passengers receive. My job, and that of the Department and our officials, is to ensure a radical improvement in the quality of service provided by First Capital Connect.

Stephen Hammond (Wimbledon) (Con): The Minister is right. Dogma should not be part of this discussion. First Capital Connect should rightly be condemned for the poor service that it has provided. However, if dogma is not to be a part of the discussion, I am sure the Minister will want to inform the House that the east coast line has seen punctuality drop from 89 per cent. to 67 per cent. since it was nationalised. If we are concerned about the future of the London economy, can the Minister assure the House that there are no plans to reduce the number of trains running through the core on Thameslink 2?

Mr. Khan: I am glad the hon. Gentleman has given me an opportunity to remind the House of the £5.5 billion investment in the Thameslink programme, which is at risk if, God forbid, the Conservative party forms a Government. On policy, it is important that I remind him of the "Conservative rail review: Getting the best for passengers" policy, which is this:

> "The DfT's role should be radically stripped back . . . retaining only a limited involvement"

with franchises. So the powers that we have would be taken away if the Opposition were to form a Government.

National Concessionary Bus Passes

5. **Mr. Mark Harper** (Forest of Dean) (Con): If he will bring forward proposals to enable national concessionary bus passes to be used on community transport services; and if he will make a statement. [313714]

The Minister of State, Department for Transport (Mr. Sadiq Khan): I pay tribute to and thank the more than 5,000 voluntary bodies which provide community transport around the country, making a substantial positive impact on transport priorities. Some sectors of community transport are already eligible for concessionary travel. Local authorities are also able to offer concessions on any form of community transport on a discretionary basis. We have no current plans to extend the £1 billion national concessionary scheme.

Mr. Harper: I am grateful for that answer and for the tribute that the Minister has rightly paid to the many community groups that run those essential transport services. The problem in constituencies such as mine, where there are not many scheduled bus services, is that the free bus pass is completely useless for many older and disabled constituents. The district council has to run a costly parallel system of travel tokens, which people who qualify for the pass can use on community transport. Will the Minister consider a proposal for extending the free concessionary bus pass, so that we can get rid of a layer of wasteful bureaucracy and have a more efficient, streamlined system that could deliver better services at no more cost to the taxpayer?

Mr. Khan: I am happy to look at new ideas. Aside from the cost, there are practical problems with the definition of eligibility, including who would be eligible, and with the impact on rural bus demand, given the extra burdens that such a scheme would impose. I am happy to talk to the hon. Gentleman about any proposals that he has, but it is worth adding that Forest of Dean district council did not respond to the recent consultation on the special grant. However, he may have constructive ideas, which I am happy to listen to, about improving the service that his constituents receive.

Passenger Security (Screening)

6. **Ann Winterton** (Congleton) (Con): Whether he plans to add profiling to the passenger security screening measures in place at UK airports. [313715]

The Parliamentary Under-Secretary of State for Transport (Paul Clark): Security staff at Heathrow are undergoing training in behavioural analysis techniques, whereby passengers are selected if they are behaving suspiciously. We will review the effectiveness of that trial before deciding whether it can be rolled out more widely.

Ann Winterton: Following the recent alleged attempt to bomb the plane that was destined for Detroit from Amsterdam Schiphol airport, it has been suggested that UK airport security could be stepped up through passenger profiling, which is perhaps what the Minister was talking about. Will it make passengers' journey through security and travel safer? Will it, in fact, be effective?

Paul Clark: All approaches to security have one underlying aim, which is to make sure that those flying to, from and within the United Kingdom are safe and able to go about their business knowing that all agencies and all parts of the industry have taken the necessary steps. Profiling has certain considerable limitations, which is why aviation security is multi-layered. Behavioural analysis techniques mean that one can profile against the norm; therefore people behaving people suspiciously will require further security checks.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does my hon. Friend have sufficient power to assure himself that a variety of security measures are deployed to respond to changing intelligence information?

Paul Clark: Yes, I believe that we do. We have an arrangement whereby a range of security and intelligence agencies come together to advise Ministers, agencies and airlines on the operations that they need to undertake.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): We all know that there can be large queues at airport security points, but will the Minister explain why passengers, when travelling to Scotland through Heathrow terminal 5, have to get through security 35 minutes before departure, while at London City airport a more sensible approach is taken, with no time limit so long as the passenger can make the flight?

Paul Clark: I shall certainly look into the specifics of that issue, but our role is to set the required security standards; the airport operators need to ensure and manage the necessary processes, including queues.

Phil Wilson (Sedgefield) (Lab): Kromek is an award-winning company in my constituency, and its chief executive officer, Arnab Basu, was awarded the title of entrepreneur of the year. It is developing a scanner that can identify whether liquid in a bottle is explosive, and the product is being trialled in the United States and other areas. Will my hon. Friend meet me and the company to see what we can do to promote that great British invention?

Paul Clark: I know that my hon. Friend the Member for Sedgefield (Phil Wilson) is a strong campaigner for his constituency's industries and, particularly, for Kromek. I assure him that members of my Department, along with the police and the Home Office, have been collaborating closely with Kromek and, indeed, other companies to take forward that work and ensure that our security systems are ahead of the threat that we face. However, I am always more than willing to meet organisations.

Mrs. Theresa Villiers (Chipping Barnet) (Con): I fully appreciate that the extreme sensitivity of this issue puts real constraints on the detail that the Minister can share with the House, but can he help me with the following question? The Israelis have used behavioural analysis for some years to spot suspicious behaviour within a perimeter that stretches out as widely as airport car parks. Does he see any scope for using such techniques in the UK to address risks that arise before the security check stage to guard against attacks of the sort that we saw in Glasgow in 2007, which are targeted on people queuing?

Paul Clark: The hon. Lady is right that it is not possible to go into operational details. As regards the techniques that are available to us, we continue to receive information and consider opportunities through the intelligence agencies as to what is possible. Behavioural analysis techniques are being trialled at Heathrow with the BAA and UK Border Agency staff based there. I saw that for myself earlier this week when I visited Heathrow and discussed it with the operatives. We keep all these opportunities under review.

Mrs. Villiers: There is clearly scope for a consensus to emerge on an intelligence-led approach to security, which is welcome. However, the Minister will recall the Prime Minister's 2007 promise to deliver a data system to identify and stop terror suspects before they board a plane to come to the UK. Why have the "authority to carry" provisions that are necessary to deliver that not been put in place, given that countries such as Australia have had those systems for some years? Will the Minister admit that the e-Borders programme is expensive, late, and leaves us behind other countries that have better systems that are already in operation?

Paul Clark: The hon. Lady will be well aware of the statement made by my right hon. Friend the Home Secretary earlier this month, and of the Prime Minister's statement to this House on 20 January, clearly taking forward the options and rolling out further the e-Borders programme, as well as the watch list and no-fly list, which we are working on. We are in discussion with other countries, and working together where there is a security threat, before these people board flights to the UK or elsewhere.

Mr. John Leech (Manchester, Withington) (LD): Any additional security requirements at airports are likely to be very expensive for airport operators. What assessment has the Minister made of the financial impact on regional airports, which have already been particularly hit by the recession?

Paul Clark: The requirements for security have always been very clearly known, and meeting the costs involved is a matter for the business that is running the airport. However, we have regular discussions, and we have obviously had substantial discussions since 25 December last year with airport operators to discuss the roll-out and mechanics that are required. The costs are an operating cost that falls against the business of running an airport.

A47

7. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to hold discussions with the Highways Agency on recent fatalities on the A47. [313716]

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I am aware of the recent fatal accident at East Winch, and I extend every sympathy to the families and friends of those killed. As part of the strategic road network, the established procedures are being followed, which involves the Highways Agency undertaking a fatal accident study following any police investigation, which may identify recommendations for safety improvements.

Mr. Bellingham: I thank the Minister for that reply and for expressing his regrets at what was an horrendous double fatality. What are the prospects for that stretch of road being dualled? Can he ensure that when the Highways Agency sets up its safety audit it looks specifically at reducing the speed limit and installing more fibre optic flashing warning signs?

Paul Clark: Obviously, recommendations may be made arising from the investigation by the police and the Highways Agency. There are no plans to dual that part of the A47, which is, overall, one of the safer stretches of A road in our country, as is indicated by the figures on personal injury in accidents. However, any lessons that can be learned arising from a fatality will of course be taken on board.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Some of the worst accidents on this type of road are head-on collisions, when frustrated motorists attempt to overtake lorries in dangerous locations. The speed limit for large goods vehicles on single carriageway trunk roads is 20 mph slower than that for cars. Would narrowing that gap improve road safety?

Paul Clark: The hon. Gentleman will be aware that that matter is part of the work we have done in the new road safety strategy for 2011 and beyond, particularly in relation to the types of roads referred to by the hon. Member for North-West Norfolk (Mr. Bellingham) and the Opposition Front-Bench spokesman. We are aware that single carriage, rural A roads account for proportionately more deaths given the volume of traffic on them, which is why we are looking at a range of issues. We are considering the specific point raised by the hon. Member for Scarborough and Whitby (Mr. Goodwill), but equally, there is a view that such a change would not help and that it would lead to further accidents.

Gatwick Airport (Railway Station)

8. **Laura Moffatt** (Crawley) (Lab): What recent discussions his Department has had on the redevelopment of the railway station at Gatwick airport. [313717]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): Enhancements to Gatwick airport station have been discussed with key beneficiaries at three meetings over the past four months. My hon. Friend was at the most recent meeting last week, where Gatwick Airport Ltd and Network Rail agreed to negotiations that could enable work on the full improvement scheme to start by 2013.

Laura Moffatt: I am grateful for that response. Setting aside the worrying 1,500 job losses proposed by Network Rail, Network Rail will carry out a major upgrade of the track and signalling along the Brighton line. If we miss the opportunity to do the much-needed work at Gatwick airport, it will be a travesty. I know that the Department has been working extremely hard with the stakeholders—Gatwick Airport Ltd, the regional development agency and everybody else—to do that work. Can I squeeze some more out of him? Will he do a little more to make sure we deal with the current shortfall?

Chris Mole: I congratulate my hon. Friend on the exemplary way in which she has engaged with Network Rail, the regional Minister and key stakeholders at Gatwick airport to press for progress. One might argue that she is a model Back Bencher. The full scheme would bring better connectivity and surface access, removal of a platform bottleneck, more reliable journeys on the Brighton main line and inward investment and retention of businesses around Gatwick. It is opportune to remind partners that there is a limited window of opportunity, and that negotiations need to be concluded by the end of March.

High-Speed Rail

9. **Tony Lloyd** (Manchester, Central) (Lab): What recent progress his Department has made on its plans for high-speed rail; and if he will make a statement. [313718]

The Minister of State, Department for Transport (Mr. Sadiq Khan): The Department for Transport is continuing its assessment of the detailed report from High Speed 2, which was received at the end of last year. If the Government decide to pursue proposals for high-speed rail, we will publish a White Paper setting out plans by the end of March 2010.

Tony Lloyd: In thanking my right hon. Friend for that answer, I say that there is enormous enthusiasm for a high-speed rail link across the length and breadth of this country, but can he persuade the traditionally London-centric Departments that this scheme is not about London? It is about connecting together the whole of our nation, which is what makes it exciting and viable.

Mr. Khan: It is not just a question of Departments; political parties are obsessed with London, forgetting the rest of the country. When some parties form a Government, they want to serve the whole country, not just the privileged few. The benefits of a national high-speed link will not simply be extra rail capacity, faster journey times and positive environmental impact, but economic regeneration and increased employment for those parts of the country that arguably need it the most.

Mr. David Evennett (Bexleyheath and Crayford) (Con): I welcome the Government's conversion to the benefits of high-speed rail for the whole country, but will the Minister now listen to sense and, on environmental grounds, abandon his plans to build a third runway at Heathrow?

Mr. Khan: I am grateful for the question, because it gives me a chance to explain to the House the inconsistency of Conservative policy. The Mayor of London wants an estuary airport on the Thames. The Bow Group and Lord Heseltine say that there is a false choice—

Hon. Members: Order, order.

Mr. Speaker: Order. I do not require any help from people chuntering from a sedentary position, so they are wasting their voices. I say to the Minister of State that he will want to focus his reply on Government policy and not on that of the Opposition.

Mr. Khan: Government policy was articulated last January—I know that the hon. Member for Bexleyheath and Crayford (Mr. Evennett) was here then—when we made clear our support for a third runway as long as the relevant planning processes are gone through. Last week's report from the Conservative think tank and Lord Heseltine confirms that a choice between the third runway and high-speed rail is a false choice. We want intelligent debate based on evidence, not playing to the gallery.

Mr. Stephen Hepburn (Jarrow) (Lab): Does the Minister agree that the best way of boosting the north-east economy and ending the north-south divide is by pressing ahead with the high-speed rail link to Newcastle? Will he put his full support behind the proposal?

Mr. Khan: Absolutely right. My hon. Friend reminds me that the benefits will be not simply to London but to the north-west, the north-east, the east midlands, Yorkshire and Scotland. We are a party that believes in governing for the whole country and not just for our chums in London.

Mark Hunter (Cheadle) (LD): When we finally get high-speed rail, to which all parties are apparently now committed, there is increasing speculation that one way in which the train operators will seek to minimise journey times is by reducing the number of stops. Stockport station, on the west coast main line, which serves not only my constituency but the wider Stockport area and south Manchester, is a hugely important strategic stop. Can the Minister guarantee that when we finally get the high-speed rail link on the west coast main line, it will continue to stop at Stockport?

Mr. Speaker: Order. We also need some high-speed questions.

Mr. Khan: I shall try to give a high-speed answer.

The challenge that the hon. Gentleman raises is one of those that David Rowlands and High Speed 2 had to look into. When we produce our White Paper, we will hopefully deal with some of the challenges and the balances that need to be made between stopping at more stations and the disbenefit of slowing down the trains. He makes an important point, which David Rowlands looked into.

Station Reopening (London)

10. **Martin Linton** (Battersea) (Lab): If he will discuss with the Mayor of London the merits of reopening (a) Battersea High Street station and (b) other closed railway stations in London. [313719]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): If the Mayor puts forward any such proposals for discussion, I will be happy to meet him. It is for Network Rail, the relevant train operator and Transport for London to consider the best way of meeting an identified transport need in that particular part of London.

Martin Linton: If only the Department for Transport were London-centric, I would certainly be very pleased; I have not noticed it so far.

Is my hon. Friend aware of the demand in Battersea for the reopening of Battersea station, or at the very least for a footbridge to the newly opened Imperial Wharf station? Battersea station was closed only because of an air raid during the war. It was one of 33 London stations that were closed during wars and never reopened, including Walworth, Camberwell, Wormwood Scrubs and others.

Mr. Speaker: Order. I am very grateful to the hon. Gentleman, but we must have a question, not an essay. We have got the thrust of it, and I look forward to the Minister's reply.

Chris Mole: My hon. Friend articulates the case very well for his constituents, and I understand his point about new stations in areas of development and regeneration. We give the Mayor about £3 billion a year to sustain and develop transport networks in London, and I encourage my hon. Friend to engage with the Mayor and local councils to promote the reopening of the station.

Potholes (Highways Agency)

11. **Mr. Philip Dunne** (Ludlow) (Con): What recent estimate he has made of the number of potholes and other road surface defects requiring repair on roads maintained by the Highways Agency. [313721]

The Parliamentary Under-Secretary of State for Transport (Chris Mole): The Highways Agency has a comprehensive road resurfacing programme to reduce the potential for potholes and other surface defects. However, the severity of the recent weather has led to an increase in those defects. There is no value in the agency counting potholes, as it has a robust regime for identifying them and allocating the resources necessary for undertaking repairs. That is sufficient to keep England's motorways and trunk roads in a serviceable and safe condition.

Mr. Dunne: The Minister has obviously not read the report produced last year, before the recent weather that has further damaged the road network, by the Asphalt Industry Alliance, which reported that there is a 13-year backlog of maintenance on our road network. The Government have had 13 years, and not only did they fail to fix the roof when the sun was shining—

Mr. Speaker: Order. May I ask the hon. Gentleman to put a question?

Mr. Dunne: Certainly, Mr. Speaker.

Not only did this Government fail to fix the roof when the sun was shining, but they failed to fix the roads. What are they going to do now that the roads are in a much worse condition than they were when that report was issued?

Chris Mole: The hon. Gentleman asked me about the Highways Agency, and I have given him an appropriate answer about the strategic road network. If he is widening his question to include local roads, those are of course matters for local authorities, many of which may well be Conservative-controlled.

Transport Network (Cold Weather)

12. **Sir Nicholas Winterton** (Macclesfield) (Con): What assessment he has made of the effectiveness of his Department's response to the effects of recent cold weather conditions on the transport network. [313722]

The Minister of State, Department for Transport (Mr. Sadiq Khan): The country recently experienced the most prolonged severe winter conditions for nearly 30 years. The Government's actions, working with local government and others, stabilised and minimised the disruption to transport systems. We are continuing the work to ensure that those systems are able to respond to further challenges.

Sir Nicholas Winterton: I am grateful to the Minister for that somewhat brief reply. Is he aware, as another junior Transport Minister clearly is, that some 17,000 trains were suspended in England and Wales during the snowy weather up to 9 January? Why were 17,000 trains suspended in that period? What are the Government and Network Rail doing to reduce that number for future occasions of inclement weather?

Mr. Khan: I am sure that the hon. Gentleman will tell me that when he was in the House 30 years ago, the trains all ran on time and snow did not cause delay or cancellation—when they were nationalised. North Europe, America, Canada and other parts of the world experienced severe weather, and they also had problems with their transport systems. All major road networks were open in this country and I think that we did pretty well. We showed a generosity of spirit and a get-up-and-go attitude, which led to most of the country coping pretty well.

Clive Efford (Eltham) (Lab): Southeastern Trains stopped running trains in the cold spell at 9 o'clock in the evening, yet the docklands light railway and London Underground continued their services throughout the day, almost without disruption. Why did Southeastern Trains stop running trains? If my right hon. Friend does not know, will he haul the company in and get it to explain why it completely disrupted the service?

Mr. Khan: My hon. Friend makes an important point. We did haul in Southeastern Trains, and we told the company that what happened was unacceptable. That demonstrates that we are a Department that believes in engaging with the private sector, not allowing it to get away with anything it wants to do. Southeastern Trains has learned the lessons and will ensure in future that the service is better. We know from last year that further bad weather is possible in February. We will see whether the lessons have been learned from our hauling in.

Topical Questions

T1. [313730] **Simon Hughes** (North Southwark and Bermondsey) (LD): If he will make a statement on his Departmental responsibilities.

The Minister of State, Department for Transport (Mr. Sadiq Khan): Since our previous Question Time in December, my Department has announced a £200 million electrification programme for key railway lines in the north-west, responded swiftly and effectively to the

recent severe weather and aviation security threats, and invested £20 million in bringing integrated smart ticketing to our cities in five years. We have now received the High Speed 2 report, and are working intensively on the Government's response.

Simon Hughes: Given that since 1997, the real cost of travelling by motoring and air has gone down, while the real cost of travelling by rail has gone up, will Ministers make a commitment that, if re-elected, the formula for regulating rail fares will change so that the real cost of travelling by train will decrease, not increase?

Mr. Khan: The hon. Gentleman is right to raise the issue. Some train operating companies have used the regulations in which we prescribed regulated fares to introduce much more expensive fare regimes for the rest of the day. We are learning the lessons of that, and ensuring that when a new franchise is awarded, a basket of improvements benefits the commuter rather than any train operating company.

T7. [313737] **Jessica Morden** (Newport, East) (Lab): Will the Minister give me an update for long-suffering Severn bridge users on progress on resolving issues, including using debit and credit cards and considering a freeze on the annual tolling increases?

Mr. Khan: I am pleased to inform my hon. Friend that, as a direct consequence of her campaign, lobbying and giving me a hard time outside as well as inside the Chamber, work is under way to make the necessary amendments to the secondary legislation to allow card payments to be accepted on the Severn crossing. The Department for Transport legal and policy people are currently making progress on the changes to the regulations and it is anticipated that the amendments will be made, and that the instrument will come into force in April.

T2. [313731] **Mr. Simon Burns** (West Chelmsford) (Con): Given that we are having the second winter of excessive harsh weather, which is causing serious problems with potholes on our roads, does the Minister accept that local authorities and the Highways Agency must do more to ensure that the repairs are done as quickly as possible? Will he join me in welcoming Essex county council's decision to double the budget for this year to deal with those problems?

Mr. Khan: I am grateful for that question and the way in which it was asked. We have tripled the amount we give to local authorities to maintain their roads. Last year, we announced an additional £32 million to allow local authorities to assess their roads. If local authorities maintain their roads regularly, there is less chance of potholes forming. Of course, we consider sympathetically applications for additional funding. We are talking to 10 local authorities from last year, and will consider applications made this year, too.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): The Minister will be aware that a railway workers' lobby was here yesterday. The thrust of one of their complaints was that accountants are instructing engineers on what to do. The workers fear that that will result in serious safety failures. What can he say to the House in response to that? Can he assure us that the de-manning of the maintenance service will not impede safety on the railways?

The Parliamentary Under-Secretary of State for Transport (Chris Mole): The Office of Rail Regulation, which is both the economic and safety regulator for the railways, has challenged Network Rail to reduce its costs, and improve its efficiency and effectiveness, by around a third over the next control period. The challenge to Network Rail is to ensure that it does that without impacting on either the performance or the safety of the railway. The ORR is inspecting and ensuring that safety is maintained, and any concerns that employees or others have should be referred directly to it.

T4. [313733] **Mr. John Baron** (Billericay) (Con): Government figures show that foreign left-hand drive heavy goods vehicles account for three times the number of accidents that our own right-hand drive HGVs account for. Given that I have raised this issue with the Government over the last few years, and suggested a solution—the mandatory issuance of Fresnel mirrors that would eliminate the blind spot—what progress have they made in reducing that accident rate? Will the Minister meet me to discuss the issue?

The Parliamentary Under-Secretary of State for Transport (Paul Clark): Let me at the outset say that I am more than happy to meet hon. Members to discuss road safety issues. The additional resources that we have given to the Vehicle and Operator Services Agency to undertake checks and issue Fresnel mirrors has had a significant effect on the number of accidents. As I said, I am more than happy to meet the hon. Gentleman to discuss the matter.

Julie Morgan (Cardiff, North) (Lab): Will my right hon. Friend assure me of the Government's commitment to high-speed rail electrification from London to south Wales?

Mr. Khan: I can confirm that we are committed to that. As I said, we believe in serving the entire country, which includes electrifying the Great Western line from London all the way to Swansea—that was a £1 billion announcement. My hon. Friend may be interested to know that currently in Europe, only two countries have less than one mile of electrified line—Albania and Wales. That needs to be sorted out.

Greg Mulholland (Leeds, North-West) (LD): Has the Minister made an assessment of the costs nationally to the damage to roads as a result of the cold weather? Will he conduct a review into the use of salt, as opposed to grit, which is used by some other countries, because of the damage that it does to road surfaces?

Mr. Khan: That is one of the things the UK Roads Liaison Group gives advice on. The hon. Gentleman will be aware, although he may have missed what I said earlier, that we have trebled the amount of funding we give to local authorities in relation to roads maintenance. We have also announced an additional package of £32 million to assess the roads, which will include dealing with the point he made. If he has problems with local authority funding, I am happy for him to approach both the Department for Transport and the Department for Communities and Local Government, which give additional money in exceptional circumstances.

Mrs. Ann Cryer (Keighley) (Lab): Does my hon. Friend agree that a conflict of interest could be residing within the Office of Rail Regulation, because it is responsible for both safety and investment?

Chris Mole: I am more than content that the ORR understands how it needs to discharge both those responsibilities at the same time without any conflict of interest.

T5. [313734] **Ann Winterton** (Congleton) (Con): Rail passengers travel at peak times in overcrowded carriages in conditions in which it would be illegal to transport cattle and sheep. When is that lack of capacity to be tackled? When will adequate rolling stock be delivered for the safety and comfort of the travelling public?

Mr. Khan: The hon. Lady raises a point that has been raised before. We have announced plans to increase our rolling stock by 2014 and we are ahead of the curve in relation to delivery from 2008. It is a question of choices. Had we taken the advice to increase our spending this year by only 1 per cent., it would have led to a reduction of £840 million. If we take the advice to reduce our spending next year by 25 per cent., any idea of increased capacity is pie in the sky.

Clive Efford (Eltham) (Lab): On several occasions before Christmas, the road network in south-east London and east London came to a complete gridlock because of incidents in the Blackwall tunnel or on adjacent roads. That unacceptable situation occurs too frequently. When my right hon. Friend next meets the Mayor of London, will he put that high on his agenda, because it cannot be allowed to continue?

Mr. Khan: I am not sure what the Mayor's priorities are, but they are not the Croydon Tramlink or the Dartford crossing. In fact, he seems obsessed with interfering with Conservative leadership issues. I will ensure that we try to impress on the Mayor the priority of serving Londoners and addressing some of the challenges they face, rather than increasing fares on buses, tubes and trams.

T6. [313735] **Sir Nicholas Winterton** (Macclesfield) (Con): Is the Minister aware of the statement by the AA that the money to fix all Britain's potholes could be raised within 100 days if increased profits from VAT on fuel were diverted to that problem? Will the Government act accordingly to fill in and repair the potholes?

Mr. Khan: I am always happy to tell local authorities what to do, but I actually believe in devolution and giving local authorities the power to do as they see fit. I am only disappointed that so many of them are Conservative and decide not to invest in maintaining our roads. They invest in various projects rather than serving the community that they were elected to serve.

Sir Patrick Cormack (South Staffordshire) (Con): In view of the fact that using our airports is becoming increasingly frustrating, uncomfortable and disagreeable because of necessary security measures, will the Minister convene a meeting of all airport operators to see what can be done to address the issue of passenger comfort?

Paul Clark: Let me assure the hon. Gentleman that we have regular meetings with the airport operators to discuss exactly those issues. I wish to put on record our thanks to all those who have worked on the new measures that have come into force since 25 December, and to the travelling public for their patience when experiencing delays immediately after the new requirements were introduced. Most people recognise the proportionality of the security arrangements, but we keep them under review.

Mr. Philip Hollobone (Kettering) (Con): To be more cost-effective, Kettering borough council, of which I am a member, would like to employ one set of street wardens for parking enforcement and to tackle litter and dog-fouling offences. Two lines of guidance from the Department are preventing the council from doing that. Will the Minister look at that situation?

Mr. Khan: If the hon. Gentleman writes to me, I shall be happy to look into it.

Mr. Paul Burstow (Sutton and Cheam) (LD): I thank the Minister for his answers to the hon. Members for Wimbledon (Stephen Hammond) and for Luton, North (Kelvin Hopkins) and my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) about First Capital Connect. May I ask him a further question on that issue? How much longer will it take for the Secretary of State to reach a judgment on whether that company is up to the job of delivering its franchise agreement?

Mr. Khan: I do not apologise for being tough when it comes to those who run our trains, if there are financial concerns or the companies are in breach of the agreements, either through enforcing remedial action or financial penalties. Over the last three months, First Capital Connect's performance has been unacceptable—I would go so far as to say it has been disgraceful. We are doing all that we can to ensure that the quality of service improves for the hon. Gentleman's constituents. Some people are advising us that we should not micro-manage train operating companies and should let them have more flexible and longer franchises. We have declined that advice, and we take a hands-on approach to ensure that commuters receive the best quality service.

WOMEN AND EQUALITY

The Minister for Women and Equality was asked—

Employees with Families

1. **Jessica Morden** (Newport, East) (Lab): If she will discuss with trade union representatives the guidance provided to employers on rights for employees with families. [313700]

The Minister of State, Government Equalities Office (Maria Eagle): The Government are committed to building a fair and family-friendly labour market, and my ministerial colleagues and I meet regularly with both unions and representatives of business to discuss this aim and how

to advance it. Today's announcement that fathers will be able to take up to six months off on paternity leave by replacing the mother at home for some of her maternity leave is a further advance for the flexibility agenda.

Jessica Morden: The unions are doing a great job in promoting the right to work flexibly, but many parents remain unaware of their rights or are wary of asking for them. What more can the Department do, working with the trade unions, to make people feel more able to ask for more family-friendly hours and to increase the uptake of that right?

Maria Eagle: There is a range of things that we can do. Equality reps, which many trade unions have in workplaces, can help to provide better information and signpost individuals and companies to it. The section of the businesslink.gov website on employing people has 350,000 hits a month from employers seeking information on how to provide better flexibility. The evidence is that many people ask for flexible working and 95 per cent. of requests are positively met.

Jo Swinson (East Dunbartonshire) (LD): Many businesses find that operating a flexible working policy brings huge productivity gains, as well as being good for those with families, although some remain either unconvinced or unsure of how to go about it. What can the Government do to promote the business benefits of flexible working too, and encourage more organisations to take it up, whether by creating part-time roles at senior levels or pursuing such policies as job sharing?

Maria Eagle: The hon. Lady is right. We do a range of such work. The Secretary of State for Work and Pensions recently announced that we would bring together employers, business representatives and the TUC to look at how to improve family-friendly working practices further. That type of pragmatic three-way discussion does just that: it is successful, and it is good news for employees and employers. In other words, it is a typical, good Labour policy.

Fiona Mactaggart (Slough) (Lab): Employees at O_2 in my constituency presented me with a petition last week about child care vouchers. It was initiated because the child care voucher companies had left them unaware that the Government had changed their planned policy for tax breaks for child care vouchers. Will the Minister please talk to the child care voucher providers to ensure that they work with the companies that use such vouchers and inform employees of that positive policy?

Maria Eagle: I am happy to take up the point that my hon. Friend has made and talk to the relevant organisations.

Equality Bill (Religious Groups)

2. **Andrew Rosindell** (Romford) (Con): What recent discussions she has had with religious groups on the provisions of the Equality Bill. [313702]

The Minister for Women and Equality (Ms Harriet Harman): Ministers in this House—in particular my hon. Friend the Parliamentary Secretary, Government Equalities Office—and Ministers in the Lords have had a number of discussions with religious and belief groups and have received a number of representations relating to religion or belief since the introduction of the Equality Bill. Such discussions and representations are ongoing.

Andrew Rosindell: Will the Minister finally admit that were it not for the successful amendment from Baroness O'Cathain in the House of Lords earlier this week, the Equality Bill as unamended would have further restricted employment for people working in religious organisations?

Ms Harman: No, it would not. We thought that it would be helpful for everyone involved to clarify the law, and that is what the amendment that we brought forward aimed to do. That amendment was rejected. However, it would be helpful for the House to understand that there are religious jobs and non-religious jobs within organisations. For example, I would say that a pensions assistant ensuring that the records database is kept up to date was not doing a religious job. I would also say that issuing and processing invoices, even if it is done in the employment of the Church of England, is not a religious job.

To make it clear, the law applies to religious organisations when they employ people in non-religious jobs in the same way that it does to everyone else. We have always been clear that we are not going to insist on non-discrimination in relation to religious jobs such as being a vicar, a bishop, an imam or a rabbi. The law has stepped back from that and said that religious organisations can decide themselves how to do that. However, when it comes to non-religious jobs, those organisations must comply with the law, and that is how the law remains.

Mr. Mark Harper (Forest of Dean) (Con): The Minister will know that before the Government's defeat, her Bill as unamended did not even make it clear that ministers of religion would have to live in accordance with the faith of their religion. Following the Government's defeat in the other place not once but three times, by a coalition led by Conservative peers, bishops and Cross Benchers, the Bill has been improved. Can the Minister confirm that the Government will accept the decision in the other place to enable Churches to insist that key posts be held by those who live in accordance with the tenets of their faith, or will she seek to reverse that defeat in this House?

Ms Harman: I think that the hon. Gentleman is trying to perpetrate a further misunderstanding. We are absolutely clear that we have never intended to extend the non-discrimination provisions to ministers of religion, nor have we ever tried to do so. Therefore they are exempted. We have always made it absolutely clear that they are and will continue to be exempted from the non-discrimination laws, and we have not sought to change that. There has been an issue about what is or is not a religious job, and we sought to clarify that. Our helpful clarification was not regarded as helpful in the House of Lords, and therefore the amendment was defeated. We will consider how to respond to that, but an official announcement will be made in due course, once these things have gone through the machinery, as it were. However, I would reassure hon. Members that the policy will remain as it is, and I would not want to lead them to anticipate that it will be brought forward again in this House.

Equality Bill (Access to Information)

3. **Miss Anne Begg** (Aberdeen, South) (Lab): If she will bring forward amendments to the Equality Bill to provide equality of access to information for blind and partially-sighted people. [313703]

The Minister of State, Government Equalities Office (Maria Eagle): Undertakings have been given in the other place to consider tabling amendments on Report. However, the existing disability discrimination legislation provides that accessible information for visually impaired people and others is a reasonable adjustment, and the disability equality duty requires public authorities not to discriminate against disabled people on the grounds of their disability. Providing accessible information for disabled people might be required to meet that obligation in appropriate circumstances.

Miss Begg: The problem is that organisations such as the Royal National Institute for Blind People feel that the provisions of the Disability Discrimination Act 2005 to which the Minister referred are unenforceable because access to information is classed as an auxiliary aid and service. I hope that my hon. Friend will look favourably on the suggestion that the Equality Bill needs a separate clause to make these provisions absolutely clear. Will she also confirm that trying to solve this problem by means of a judicial review would not be the way forward?

Maria Eagle: The requirements of the current Disability Discrimination Act are enforceable, and they can be enforced in appropriate circumstances. However, we want public authorities to take a leading role and to lead by example in providing accessible information to those with visual impairments and others. In that respect, I hope that the House authorities themselves will consider whether refusing to allow a visually impaired parliamentarian a Braille copy of a Bill is really helping that parliamentarian to do his job. Should we not be leading by example in this respect? I believe that we should be, and I hope that the House authorities will reconsider that decision.[1]

Equality Bill (Age Discrimination)

4. **John Howell** (Henley) (Con): When she plans to publish the draft regulations on age discrimination as provided for in the Equality Bill. [313704]

The Solicitor-General (Vera Baird): We aim to consult in the autumn on a draft order under the Equality Bill, which will specify the exceptions to the otherwise full ban on age discrimination against adults in services and public functions.

John Howell: I thank the Minister for that response, and I am pleased to see that the Government have accepted the concerns of those of us who served on the Bill Committee about the need to retain good age discrimination. Can she confirm that the exemption for companies such as Saga will be in the regulations, and not just in the guidelines?

The Solicitor-General: Yes, I can, and I am sorry that I could not do so earlier when I was asked to make that clear on Report. There will be a number of specific exceptions. There has been a very good consultation process on this. We had 106 responses from businesses, the age lobby and local authorities—indeed, everyone we could have wished to feed in did so. There will certainly be specific exemptions for financial services, and for age-related group holidays, which are obviously advantageous.

Mr. David Winnick (Walsall, North) (Lab): Does my young ministerial colleague not agree that it is totally unacceptable that anyone should be discriminated against because of their age, and that there is no justification for forcing someone out of work when they reach 65 if they want to continue in employment? If it is good enough for us, it should be good enough for the people outside the House.

The Solicitor-General: I volunteer to be the young Minister who responds to my equally youthful colleague's question. Obviously, we are looking as closely as we practically can, and as quickly as we can, at the question of the future of the default retirement age, which frankly seems unpromising. It is probably older than both my hon. Friend and me, and past its sell-by date.

Lynne Featherstone (Hornsey and Wood Green) (LD): Following on from the question from the hon. Member for Walsall, North (Mr. Winnick), and given that the Equality Commission now agrees that a mandatory retirement age is discriminatory and should be outlawed, I should like to inform the Minister that there is an opportunity in the Lords at the moment to table an amendment on this matter. Will the Government table such an amendment to end the mandatory retirement age?

The Solicitor-General: It is prudent, when something has been a fact in a given piece of law in our system for a very long time, not simply to click one's fingers and remove it, but to consult and to find out what any unintended consequences might be, so that it can be done—if it is to be done—in a sensible way, after all the input has been considered. We have recently mentioned a date by which we expect to complete that process, and I hope that the hon. Lady will curb her impatience at least until then.

Gordon Banks (Ochil and South Perthshire) (Lab): I have seen as an employer, and personally as the years roll on, the value of experience. I hope that the good voters of Ochil and South Perthshire see that too. Does the Minister agree that valuable experience will be a building brick to get the economy growing as we move out of recession, and that it should be seen as a significant asset?

The Solicitor-General: Yes, I do—I am equally prepared to volunteer to be an experienced Minister. A number of employers are now seeing the benefits of having older people working for them, which is marked in places such as B&Q. They see enormous benefits in terms of good customer relations and general wisdom. I agree with my hon. Friend 100 per cent.

Andrew Selous (South-West Bedfordshire) (Con): Is the Minister aware that a golf club in my constituency proposes to stop offering reduced membership to its pensioner members, on the basis of its understanding of the Equality Bill? Has it got it right?

1. *[Official Report, 3 February 2010, Vol. 505, c. 3MC.]*

The Solicitor-General: No, it has not. I can write to the hon. Gentleman to set out, step by step, how it has got it wrong. But take it from me—it has got it wrong.

Government Equalities Office

5. **Tony Lloyd** (Manchester, Central) (Lab): What information the Government Equalities Office collates on the gender pay gap for (a) full-time and (b) part-time workers. [313705]

The Solicitor-General (Vera Baird): The Government Equalities Office uses data collected by the Office for National Statistics in the annual survey of hours and earnings to monitor the gender pay gap. In 2009, women working full time were paid 12.2 per cent. less than full-time men; women working part time were paid 2 per cent. more than part-time men. Comparing all women—full and part time—with all men, the pay gap is currently 22 per cent.

Tony Lloyd: I thank my hon. and learned Friend for that answer. In recent times, one disappointing thing has been the growing pay gap in the private sector. That is possibly a result of the financial restraints currently operating there, but it is still unacceptable. Will the Equality Bill have a material impact on that pay gap in the private sector? Is there any evidence that other parties will offer their support for that step forward?

The Solicitor-General: Overall, during our period in office, the pay gap has reduced from 27.5 to 22 per cent. We are passing pleased about that, although the Equality Bill is intended to jump that process up a lot of gears. Our proposals have not had wholehearted support from the Opposition, to put it bluntly. The proposals hinge on the need to make pay structures in business transparent, so that we can compare business with business, sector with sector, like with like, and see where the imbalances are. Only when such imbalances are visible can they be pushed out. The short answer is that we were not supported in that admirable endeavour by Her Majesty's Opposition.

Philip Davies (Shipley) (Con): Is it not ludicrous that the Government give tens of millions of pounds to the Equality and Human Rights Commission to lecture the rest of the country about the gender pay gap, yet the Equality and Human Rights Commission itself pays women more than men?

The Solicitor-General: I am groping hard for the logic behind that question—was "ludicrous" the word the hon. Gentleman used. The Equality and Human Rights Commission has had a lot of input into making the right measurements available so that the hon. Gentleman, as well as I, can know what the pay gap is, so that he can join forces with me to ensure that women are given equal pay in the very near future.

Hugh Bayley (City of York) (Lab): Let us get real about low-paid women workers. The national minimum wage has increased the earnings of many more women than men. Will the Government Equalities Office keep a close eye on the impact of a minimum wage on the gender pay gap for low-paid workers, and make representations to the Department for Business, Innovation and Skills to use the minimum wage as a key driver for equality?

The Solicitor-General: Of course the minimum wage has had an enormously advantageous impact on low-paid women, despite the best endeavours of the Tories to stop it getting on to the statute book. It will continue to have a good effect, as will a number of other proposals that we have. Perhaps the most telling fact is that the Tories will oppose all the steps we take to advance equal pay, even though it is clearly known that the most important single measure to get children out of poverty is to give women equal pay. That does not affect the Tories, but they still oppose it.

Business of the House

11.34 am

Sir George Young (North-West Hampshire) (Con): May I ask the Leader of the House to give us next week's business?

The Leader of the House of Commons (Ms Harriet Harman): The provisional business for next week is as follows:

MONDAY 1 FEBRUARY–Motion to approve the seventh report 2009-2010 from the Standards and Privileges Committee (HC 310); followed by motion to approve a money resolution on the Constitutional Reform and Governance Bill; followed by motion to approve a Ways and Means resolution on the Constitutional Reform and Governance Bill; followed by Consideration in Committee of the Constitutional Reform and Governance Bill (day 5).

TUESDAY 2 FEBRUARY–Remaining stages of the Flood and Water Management Bill.

WEDNESDAY 3 FEBRUARY–Motions relating to police grant, local government finance and council tax.

THURSDAY 4 FEBRUARY–Motion to approve a Ways and Means resolution on the Crime and Security Bill; followed by remaining stages of the Corporation Tax Bill; followed by remaining stages of the Taxation (International and Other Provisions) Bill.

FRIDAY 5 FEBRUARY–Private Members' Bills.

The provisional business for the week commencing 8 February will include:

MONDAY 8 FEBRUARY–Opposition day [4th allotted day]. There will be a debate on an Opposition motion. Subject to be announced.

I should also like to inform the House that the business in Westminster Hall for 25 February and 4 March will be:

THURSDAY 25 FEBRUARY–A debate from the Transport Committee entitled "Rail Fares and Franchises"

THURSDAY 4 MARCH–A debate from the Foreign Affairs Committee entitled "Global Security: Non-Proliferation".

Sir George Young: I am grateful to the right hon. and learned Lady for giving us the forthcoming business but she has not actually been very forthcoming. We already knew the business for next week and she has only given us the business for one day on the following week. Can she share with the House her plans for the week after next?

Will there be a statement next week on today's conference on Afghanistan? While I am on international matters, may I ask once again for an opportunity to debate Haiti? Last week the right hon. and learned Lady said that she would look for an opportunity "in some form or another, for Haiti to be debated on the Floor of the House next week".—[*Official Report*, 21 January 2010; Vol. 504, c. 449.]

Given the huge international effort that will be needed to rebuild that country and the problems of rehousing millions of people who have been left homeless, surely this is an issue for which we should find time in this House.

We are due to debate the Wright report on 23 February. Despite the Prime Minister's warm words at Prime Minister's questions last week, there is now widespread suspicion that the Government have adopted an approach that is simply designed to fail. Today's edition of *The Times* reports that we will be voting only on an unamendable order, which could be blocked by a single Member. Is that consistent with the spirit of consensus to which the right hon. and learned Lady has constantly referred? The last time a similar package of reforms was debated in the House, in 2002, we had a debate and then we voted on a series of resolutions on the recommendations of the Modernisation Committee. Why is that not an appropriate precedent for the Wright Committee? Will the House be able to vote on the resolutions of which the Government approve as well as on those that they do not? Does the Leader of the House agree with my suggestion that we should postpone the February recess by one day and debate the Wright report earlier than she proposes, given that we are seriously beginning to run out of time? Yesterday she admitted that she was not much good at reversing. Today she risks stalling.

May we have a statement on the release of material to the Chilcot inquiry? When he announced the inquiry, the Prime Minister unequivocally said that

"no British document and no British witness will be beyond the scope of the inquiry."

Yesterday, Sir John expressed his frustration that key documents relating to the legality of the Iraq war had failed to be declassified. Has the Prime Minister now backtracked on that commitment?

May we adopt the Chinese menu approach to Business questions? When I say "No. 41", that means I am looking for the date of the Budget; when I say "42", I am looking for the date of the Easter recess. Last week, the right hon. and learned Lady very helpfully pointed us in the direction of Easter. We are getting warmer, but may I repeat that I am asking this question on behalf of people who work in the House and who can take leave and holidays only when the House is not sitting? Can she provide us with another clue today?

May we have a debate on how Britain is governed? Two reports in as many weeks from senior civil servants who have worked under Labour paint a picture of a dysfunctional Government, with a "strategic gap" at the heart of Downing street that allows Ministers a free rein to produce endless reams of unnecessary and bad legislation.

On behalf of Conservative Members, may I thank the right hon. and learned Lady for one thing and offer her our full support? According to a survey this week from the National Centre for Social Research,

"New Labour has helped ensure that British public opinion now has a more conservative character."

Ms Harman: I am sorry that I unable to announce any business after Monday for the week after next—the reason is as follows. The Supreme Court has made a decision about the freezing of assets of those suspected of being involved in terrorist activities. As hon. Members will know, it is very important that we stop money flowing into organisations that will then use it for terrorist activities. Freezing assets is an important part of the armoury to tackle terrorist activity. The Supreme Court has given a judgment that the methods of freezing are outwith the law. We therefore need to address that

issue, because we are absolutely determined that we should be able to freeze assets, but we must do so in a way that is compliant with the substantive law. We have applied to the Court for a stay of implementation of the release of those frozen assets to allow us to consider whether or not we can bring forward legislation before those assets are unfrozen so that we can put the law in order, but prevent the release of assets to those whom we think should not have them.

I am sorry that I did not have a chance, because these things are ongoing at the moment, to give that explanation to colleagues. A decision will be made at 12 o'clock in the Supreme Court to say whether it will give a stay of implementation of its judgment such that will allow us to legislate. I did not want to announce the business for the week after next given that it may be subject to decisions relating to information that we will not have until after 12 o'clock.

On Afghanistan, we had a debate led by the Foreign Secretary and closed by the Secretary of State for Defence last week. Obviously, the very important conference is taking place today and I know that the House will want to be updated. Similarly, I thank the right hon. Gentleman for referring to Haiti, which remains an important issue. We will look for opportunities to ensure that the House can be updated, not only about the work that the Government are doing—the doubling of the aid that has gone to Haiti—but about the £50 million that the public has donated and the very important work that our search and rescue teams are doing. I acknowledge the right hon. Gentleman's request about Haiti, which I know is shared by many hon. Members, and I shall do what I can about it.

On the Wright report, the right hon. Gentleman has talked about "widespread suspicion". It is fair enough for people to be suspicious if there is something to be suspicious of, but he should not be suspicious because we are trying to be very straightforward about this. The Government have been very positive about reforming and improving how the House of Commons works, and we have a clear record of bringing to the House of Commons reforms that have then been accepted by it. We are keen to continue that reform by taking forward the recommendations in the Wright Committee report. The Government's preference for reaching decisions on these reforms is that we proceed on the basis of consensus, and proceed as quickly as possible. We would like to recommend to the House no fewer than 21 of the Wright Committee's recommendations. We thought it would help the House to have a full day's debate—as the right hon. Gentleman said, we have given a provisional date of 23 February for that—at the end of which we will place all 21 before the House under the Remaining Orders of the Day. I hope that some of them will go through without objection, as I know that there will be consensus in the House. That will probably not be the case for all of them, but let us hope that it will be for as many as possible. If there are objections, we are committed to bringing back to the House those motions that have been objected to. Resolutions will then be tabled that can be amended. At the point at which they are amendable, any recommendation from the Wright Committee's report can thereby be attached.

It is important for people to understand that there is no consensus on some aspects of the recommendations. The Liaison Committee issued a report yesterday about the election of Chairs of Select Committees, and we are in favour of the Wright Committee's proposals on that—we want the House to be able to elect those Chairs by secret ballot—but the Liaison Committee was split down the middle. It agreed to support the Wright Committee's proposals, but only by seven votes to six votes. If the right hon. Gentleman is trying to convey the view that there is consensus and that we are trying to oppose it, that is wrong. There are different views and we are trying to get consensus—*[Interruption.]* I am sorry, Mr. Speaker, that I have had to go on so long about that. I hope that people will understand that we are being completely open about this and are trying to make progress.

On the question of the material for the Chilcot inquiry, the Government will obviously do everything by the rules as laid down. On the right hon. Gentleman's question about the machinery of Government, we had Cabinet Office questions yesterday and I suggest that he should have put that question to Cabinet Office Ministers.

Mr. David Heath (Somerton and Frome) (LD): On the Wright Committee, I do not think that suspicions have been entirely allayed. The Leader of the House might help the process, given that she appears to be seeking unanimity rather than consensus, if she said that if any of the motions were objected to, the matter would be brought back to the House the following week for a decision. I think that that is the appropriate way of dealing with the issue. Will she give that commitment?

The right hon. and learned Lady mentioned Cabinet Office questions. May I ask for a debate arising from Cabinet Office questions yesterday on the subject of the Government Communication Network? My hon. Friend the Member for Lewes (Norman Baker) asked, among other things, why 225 people were employed as communications officers in a single Department. The Parliamentary Secretary to the Cabinet Office said that in a typical Department 600 calls a day were made to the communications officers, so, according to my calculations, that is fewer than three a day to those individuals. I am sure that they do a lot of other work, too, but that does not seem to be an over-taxing burden. Perhaps we should have a debate on that.

We have heard a lot of talk from the Prime Minister and others about a decision on a referendum on alternative voting systems. However, I have searched the amendment papers for the Constitutional Reform and Governance Bill and no amendment seems to have been tabled. I assume from that—of course, the Prime Minister would not indulge in idle talk—that a discrete Bill must be coming forward to implement that. Will she confirm that that will be the case? Perhaps it will be discussed in the week for which she has not yet given all the business.

We read, surprisingly, this week that Pas-de-Calais wishes to be considered part of London and the south-east for the purposes of the 2012 Olympics. This is a novelty that I do not think we have seen since the days of Mary Tudor. Lots of parts of this country would like to be considered part of London and the south-east for the purposes of the 2012 Olympics, so may we have a debate on the Olympics legacy? Two thirds of the Olympic contracts are going to London and the south-east, sports participation figures show hardly any rise—and, indeed, they record a reduction in women's participation—

[Mr. David Heath]

and tourism benefits will be affected by cuts to the VisitBritain budget. May we have a debate on the Olympics legacy?

May we have a debate on the impending clearance of the radio spectrum and its effect on radio microphones? This is crucial to a lot of theatres and music performance venues around the country that will have to replace expensive equipment wholesale. For some, the cost will be prohibitive and I think that we could usefully have a debate on that.

Lastly, after what the right hon. Member for North-West Hampshire (Sir George Young) said, I guess that I just have to say, "41, with no black bean sauce." I simply want to know when the Budget is. The Leader of the House did not answer me last week, or the right hon. Gentleman this week. Please, let us have an answer.

Ms Harman: The hon. Gentleman asked me for an undertaking to bring back to the House the following week those motions that are objected to. I cannot give an undertaking for the following week, but obviously we will want to bring them back as soon as possible. The view that the Government will advance to the House is that we will have a full debate on all the matters arising from the Wright report, but that we should not have to have that debate all over again if motions are objected to and have to be brought back. However, that argument would be undermined if too much time were to pass before we come back to consider the motions that are not agreed. I therefore hope that colleagues will recognise that the chance for the substantive debate on matters that the House might wish to amend will arise before we get to Remaining Orders of the Day.

I am sorry if that is not terribly clear, but I hope that the House will not be suspicious. It is quite complicated, and we should recognise that there are disagreements on this matter. We take the view that we want to make as much progress as possible on reform.

The hon. Member for Somerton and Frome (Mr. Heath) asked about the Government Communication Network. The job of people working in Government Departments on communication and information goes beyond just picking up the phone and answering calls, as they also have the very important task of providing information. Their job is about making Government transparent and accountable to the public, so they have to look up and give out the information that people ask for. The Liberal Democrats regard themselves as supporters of openness, transparency and freedom of information, so I am sure that they will agree that someone has to provide that information. That is an important part of Government accountability.

As for the Constitutional Reform and Governance Bill, all the issues to be discussed in Monday's debate are already on the Order Paper. An extra day would be needed if any further substantive matters were brought forward.

On the Olympics, I strongly support the motivation behind the question from the hon. Gentleman. We want to make sure that the money spent secures a legacy after the Olympics, and that that legacy is not just for London but for all the UK. No doubt he can put that point to my right hon. Friend the Olympics Minister and get the information that he requires.

The hon. Gentleman also asked about the radio spectrum. I shall look into whether there should be a topical debate on the matter. [HON. MEMBERS: "And the Budget?"] As far as the date for the Budget is concerned, we are still a little way away from arranging it. *[Laughter.]* It is not next week. My job is to announce the business for next week and the week after so that the House can know what is happening, and the answer is that the Budget will not be held in either.

Several hon. Members *rose—*

Mr. Speaker: Order. No fewer than 31 right hon. and hon. Members are seeking to catch my eye. If I am to have any chance of accommodating everyone, brief questions and answers are required.

Mr. Stephen Hepburn (Jarrow) (Lab): Will the Leader of the House give us an early debate on pleural plaques? We need to be able to lay down a marker on any Government proposal that might allow future victims of pleural plaques in Scotland to be compensated by the British taxpayer, when future English victims will get nothing at all.

Ms Harman: I thank my hon. Friend for raising this important issue. We are aware of the strength of feeling on this matter, and are firmly committed to ensuring that people suffering from asbestos-related diseases receive the help and support that they need. We hope to be in a position to give the Government's response on pleural plaques soon.

Miss Anne McIntosh (Vale of York) (Con): The Leader of the House has said that the Youth Parliament sitting that was held here in the Chamber was a great success, so what requests has she had from other organisations? Would it be possible to have a pensioners' Parliament? If so, what would the procedure be? Would any such proposal be debated in the House, and who would take the decision about other such occasions?

Ms Harman: The Deputy Leader of the House has written to the hon. Lady and, like her, I strongly support the suggestion. I believe that, as happens in Scotland, many other organisations and not just those representing the elderly could use the Chamber when we are not sitting. It would bring people into the House of Commons and would be all to the good.

Mr. Tony McNulty (Harrow, East) (Lab): May we have a debate on London government? We were promised three rape crisis centres, but none has been delivered. We were promised low fares, and some are going up by more than 20 per cent. We were promised more police, and the latest proposal is to cut police numbers in London by up to 500. This man cannot even be bothered to chair the Metropolitan Police Authority but still takes £250,000 from *The Daily Telegraph.* Is not it the case that London has stopped laughing at this clown?

Ms Harman: I agree with my right hon. Friend. We get precious little support from the Mayor of London, whether it be on housing and transport for Londoners, the important local responsibility to provide help and support for rape victims or our initiative to get neighbourhood police in every area. However, the Government will do everything that we can to support Londoners.

Mr. Greg Knight (East Yorkshire) (Con): Is the Leader of the House aware that next week is salt awareness week? If we cannot have debate on that, will she tell the House what recent representations Ministers have made to the food industry about the desirability of reducing salt levels in its products? Does she agree that this country would be a far better place if we had less salt in our food and more on our roads?

Ms Harman: I totally agree. I think that salt awareness is very important indeed. We want to make sure that there is less fat, sugar and salt in our food. This is an important public health issue, and something on which the Government and the health authorities need to take action. That is not the nanny state, just good public health policy.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): May we have an early debate on how different local education authorities are implementing the Building Schools for the Future programme? I am particularly concerned about the way that Birmingham city council and Catalyst are imposing charges on the use of schools outside core school hours. Other LEAs seem to be able to charge much lower rates, thereby allowing communities to continue to be able to use school buildings.

Ms Harman: This is a very contentious issue, and justifiably so. Public money has gone into state-of-the-art school buildings that are very important for pupils but which also should be available for the wider community. I shall raise the matter with Ministers in the Department for Children, Schools and Families, and ask them to liaise directly with my hon. Friend in support of her efforts to ensure that her community can use newly built local schools.

Mr. Nicholas Soames (Mid-Sussex) (Con): The British Government have always played a very important role in the middle east peace process, so is the Leader of the House aware that it is now commonly held that the Government of Israel's treatment of the people of Gaza puts them in breach of the fourth Geneva convention, and that their illegal blockade of Gaza now amounts to collective punishment? Does she agree that it is essential for this House to have a debate to express its views, and to give our Government a stronger mandate to try and persuade the Government of Israel that it is not in their interests to proceed in this way?

Ms Harman: The Government are in no doubt about this issue. We are strongly committed to the course of action that the hon. Gentleman has outlined, but there are many hon. Members on all sides of the House who also have strong views and who would like to have an opportunity to take part in a debate. I shall therefore look for an opportunity for such a debate.

Mr. William Bain (Glasgow, North-East) (Lab): Will my right hon. and learned Friend give consideration to holding a debate on the benefits to Scotland and the United Kingdom of the Union? Has she had an opportunity in the last week to see the helpful figures from the Scotland Office that put the fiscal benefit of the Union to Scotland at £75.7 billion since 1999? In her view, would that have happened if we had followed the advice of the Opposition parties?

Ms Harman: My hon. Friend is absolutely right, and he may find an opportunity to raise the matter at Treasury questions next week. The benefit goes beyond just the fiscal benefit to Scotland, because the Union allows us to stand and work together to tackle the recession and to bring the UK economy into recovery. Without that protection, the situation would have been very perilous for Scotland. He may therefore like to consider raising the point in Treasury questions, when he will be able to get further information.

John Hemming (Birmingham, Yardley) (LD): On the Wright report, will the Government give a commitment that all the Wright resolutions will be put before the House, at the very least in a form that would enable us to have a deferred Division on each recommendation?

Ms Harman: As I have said, we are going to table 21 recommendations, which is a substantial number, in four key areas that I have identified along with other recommendations. If there are further issues that hon. Members believe would secure the support of the House, they can do so by tabling amendments to other recommendations when we deal with those that are not agreed on the initial day.

Albert Owen (Ynys Môn) (Lab): Tomorrow, Friday 29 January, is SOS day, on which the Royal National Lifeboat Institution will celebrate the work of our lifeboats and their crews. I declare an interest as a member of its council. The year 2009 was the busiest year for the RNLI crews, as more than 8,000 people were rescued. Can we have a debate on their efforts and the work that they do, and on the linkage with search and rescue teams and other maritime services, as that would raise awareness of safety incidents and the perils of the sea?

Ms Harman: I join my hon. Friend in paying tribute to the work of the RNLI, and I suggest that he seek an opportunity in Westminster Hall to debate it, to allow other Members who agree with him to express their views, too.

Mr. Peter Bone (Wellingborough) (Con): First, may I tell the right hon. and learned Lady how well she did yesterday? Has she considered a job swap? Returning to a question asked by the hon. Member for Somerton and Frome (Mr. Heath), after 450 years, the good citizens of Calais have come to their senses and want to become part of the United Kingdom. What steps has the right hon. and learned Lady taken in that regard, and when we open up her heart, will she have "Calais" carved on it?

Ms Harman: The hon. Gentleman will have to give me notice of his questions, so I can work out a witty riposte.

Mr. Speaker: Relating to next week's business, as I am sure the hon. Gentleman's question did.

Ms Harman: The hon. Gentleman will have to give me about 24 hours on that one.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): There appears to be some ambiguity surrounding the implementation of temporary and agency workers

[Jim Sheridan]

legislation. Will my right hon. and learned Friend therefore arrange for the appropriate Minister to come to the House and clarify the position and the impact on hundreds of thousands of workers in the UK?

Ms Harman: I will ask Ministers in the Department for Business, Innovation and Skills to write to my hon. Friend and place a copy of their correspondence in the House of Commons Library. The protection of temporary and agency workers is important not only to protect those workers against exploitation but to prevent other people from having their terms and conditions undermined by those who would exploit workers. This is an important issue, and I will make sure that he receives a letter.

Mr. Andrew Robathan (Blaby) (Con): I am very suspicious about No. 42. The dates of the Easter recess are not important to MPs, because I doubt whether many MPs will take a holiday over Easter, for obvious reasons. However, they are important to all the staff of the House, as they would allow them to take a family-friendly holiday. Will the Leader of the House speak to her right hon. Friend the Prime Minister and tell him to stop dithering and call an election now? Afterwards, Deo volente, the shadow Leader of the House will sit in her position and can determine the date of the Easter recess.

Ms Harman: We will announce the recess in the normal way, and I shall do so at an early opportunity.

Mr. Tom Watson (West Bromwich, East) (Lab): We are entering an era in which the mark of an open society is the way in which it guarantees access to open knowledge through the internet. It is therefore vital that liberal democracies do not send mixed signals to closed societies that seek to restrict internet freedoms for their citizens. The anti-counterfeiting trade agreement that is being discussed in Mexico might inadvertently do that, so may we have a debate in the House so that hon. Members can test that notion and find out more about our negotiating position?

Ms Harman: I will look for an opportunity to debate that issue, which may benefit from a debate in Westminster Hall. We believe that it would be helpful if there were more transparency on the anti-counterfeiting trade agreement negotiations. As is common practice in trade negotiations, the ACTA negotiations are taking place in confidence, and working documents are not disclosed without the consent of all the negotiating parties. Our officials have been asked to press for more transparency at every opportunity, and have consistently argued for that in the ACTA negotiations, and in bilaterals with our partners. We will raise the issue, as my hon. Friend requests, in Mexico where the negotiations are under way.

John Mason (Glasgow, East) (SNP): The Leader of the House said it would be good if Scotland and England stood together. May we have a statement or debate on the Student Loans Company, as Glasgow will suffer as a result of the SLC redundancies? Jobs are being transferred from Glasgow to England, which suggests that the Government are anti-Scotland and anti-Glasgow.

Ms Harman: It does not suggest any such thing, and if the hon. Gentleman wants further information, he can table a written question.

Mr. Parmjit Dhanda (Gloucester) (Lab): Will my right hon. and learned Friend consider a debate on the leniency shown by magistrates courts to celebrities? Rock star Pete Doherty recently appeared in Gloucester magistrates court on drug and driving offences. While he was there, a sack of heroin fell out of his pocket, and 13 others were found on his person in court. Yesterday, he was given a £750 fine. Does she agree that we need to encourage courts to take a firmer grip on this?

Ms Harman: I know these issues concern the public very much, but my hon. Friend will recognise that it is not right for the House to second-guess magistrates in any particular case or, indeed, in any part of the criminal justice system, which must operate independently of our elected representatives.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Will the Leader of the House arrange for a debate next week entitled, "Treasury interference in helicopter procurement", which would enable previous Defence Secretaries to make the point that they made to the Chilcot inquiry: that the Prime Minister interfered with requests from the Ministry of Defence for funding, with the result that helicopters that would otherwise be available in Afghanistan are not available, and lives have been lost as a direct consequence?

Ms Harman: I strongly refute the implication behind the right hon. and learned Gentleman's question. If he wants to raise those issues, he can do so in Treasury questions next week.

Mr. David Drew (Stroud) (Lab/Co-op): Gloucestershire county council is conducting a review of schools that are part of the national challenge arrangements. In my constituency, that involves the closure of the Vale of Berkeley college. There are two questions relating to that on the consultation document, which can largely be accessed on the internet. One is about closure, and the other is about a "hard" federation. The second suggestion is not viable, so we need a third question about whether the school could become a co-operative trust school. Will my right hon. and learned Friend do something to make sure that we get a fair consultation in the county?

Ms Harman: I will raise that matter with Ministers in the Department for Children, Schools and Families, and ask them to see whether they can support my hon. Friend in securing a fair consultation for his constituents.

Sir Nicholas Winterton (Macclesfield) (Con): When Robin Cook was Chairman of the Modernisation Committee, it produced a unanimous report on the election of Members to Select Committees. Unfortunately, although the measure was supposed to be decided on a free vote, the Government opposed it. Can the Leader of the House give us a firm assurance that when matters relating to the Wright report come before the House, not only for debate but for voting purposes, there will be a genuine free vote on the part of the Government and the Government Whips Office?

Ms Harman: I pay tribute to the hon. Gentleman for his long-standing commitment to these issues and, indeed, his work over many years on the Modernisation Committee. I can assure him that when the Wright issues come before the House, that will be House business and it will be subject to a free vote.

Clive Efford (Eltham) (Lab): May we have a debate in the House on policing and security in London? The Mayor of London was elected on a promise to provide strong leadership for the Metropolitan Police Authority, and some of us would like to scrutinise exactly what he thinks he has achieved that makes him believe he can break his promise to the people of London and not give up his £250,000-a-year job with *The Daily Telegraph*.

Ms Harman: My hon. Friend is absolutely right: there is a trail of broken promises. First, the Mayor said that he would respect the autonomy—the operational independence—of the Metropolitan police, but then he decided to grab it and try to run it himself from City hall. Now, he is saying he is too busy to do so, although my hon. Friends have rightly pointed out that he does not seem to be too busy to earn a lot of money writing for the newspapers. I will ask Ministers at the Home Office to look into the issue.

Bob Russell (Colchester) (LD): Can the Leader of the House find time in the week after next for a debate on "An Anatomy of the Economic Inequality in the UK," a report of the National Equality Panel, produced by the Government Equalities Office, which was available to the media on Tuesday but was still not available today to Members in the Vote Office? Will she link that with votes on early-day motion 343, on the Joseph Rowntree Foundation audit on poverty?

[*That this House registers its dismay that an audit undertaken by the Joseph Rowntree Foundation shows that poverty is at the same level as it was in 2000, with two million children in low-income households, unemployment at a 12-year high and repossessions at six times the level of 2004; and urges the Government to pursue policies to eradicate poverty and promote equality.*]

Will she also link it with early-day motion 297, on the Fabian Society study on poverty? Those three reports all point out the failures of the Labour Government.

Ms Harman: As the hon. Gentleman has had a chance to read the extensive summary, at least, that has been published, he will recognise that the report shows that we have narrowed the gap between rich and poor, which was growing under the Conservative Administration in the 1980s, and that we have halted the growth in inequality, but that we need to do more to narrow it. We have already had a debate in the House on improving social mobility in accessing the professions, following the Milburn report. This is a constant theme in Children, Schools and Families questions and in Treasury questions as we seek to tackle unemployment. It will also be a subject in considering health issues when we get the Marmot report on health inequalities. There will not be a single debate. The topic will be a running theme of how we make sure that this country is fair, and as we do more to tackle the historic inequality that the hon. Gentleman knows has been handed down from generation to generation.

Mr. Andrew Mackay (Bracknell) (Con): Why has the Leader of the House yet again, this time in replying to the shadow Leader of the House, my right hon. Friend the Member for North-West Hampshire (Sir George Young), failed to give a guarantee that the Prime Minister is coming to make an important statement next week? Clearly, it is in the interests of the House that there be a statement from the Prime Minister on the Afghanistan conference, probably on the Yemen conference and probably, if matters develop, on the Northern Ireland peace process negotiations.

Ms Harman: As the right hon. Gentleman knows, the Prime Minister was in Northern Ireland in those very important talks; that is why he was unable to be back in the House yesterday. He is engaged in the talks relating to Afghanistan, and he seeks to do all the very important work as Prime Minister of this country and internationally, and also to keep the House updated. I will look up the figures—I think he has given an unprecedented number of statements to the House. In his "Governance of Britain" statement in July 2007, he said that he would make it a priority to give statements to the House and keep the House informed, and he has done that. I cannot announce in advance what statements any Minister is to make, but I assure the right hon. Gentleman that the Prime Minister regards it as a priority to keep the House informed.

Philip Davies (Shipley) (Con): May we have a debate on the desirability of prisoners having Sky TV in their cells? When I asked in 2006 how many prisoners had Sky TV in their cells, the answer was 1,500. When I asked the same question again just before Christmas, the figure had risen to 4,070. Many of my constituents—law-abiding people—would love to be able to afford to have Sky TV, but cannot. Why should prisoners be able to have Sky TV in their cells? May we have a debate so that we can find out how the Government justify that?

Ms Harman: The hon. Gentleman can ask a question in Home Office questions. We have been clear in our approach to prison policy, but we have been baffled by the prison policy of the official Opposition. Last week they announced their policy on prison ships. The policy sailed on Wednesday, but it seemed to have sunk by Thursday.

Jo Swinson (East Dunbartonshire) (LD): I am sure the Leader of the House will share my concern about the recent crackdown on press freedom and the imprisonment of human rights activists in Kazakhstan. That is all the more ironic because this year, Kazakhstan chairs the Organisation for Security and Co-operation in Europe, which of course promotes democracy. May we have a debate to discuss this worrying situation and what influence the Government might be able to bring to bear to get Kazakhstan to take its international responsibilities as chair of the OSCE more seriously?

Ms Harman: I will ask the Foreign Secretary to write to the hon. Lady to reassure her on those points in relation to Kazakhstan.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on Somalia? Is it not the case that a small minority of Somalis are leaving the United Kingdom, travelling to Somalia, trying to undermine the transitional

[Mark Pritchard]

Government in Mogadishu, which the Government support, training in terror camps, and coming back to this country trained up and possibly posing a threat to our national security?

Ms Harman: Obviously, in relation to any country that is vulnerable to being infiltrated by those who support terrorism internationally, we work internationally. I will ask the Foreign Secretary to update the hon. Gentleman.

Dr. Andrew Murrison (Westbury) (Con): The Leader of the House will have seen in the press recently the fruits of the labours of the Minister of State, Department of Health, the right hon. and learned Member for North Warwickshire (Mr. O'Brien), and the Under-Secretary of State for Defence, the hon. Member for North Durham (Mr. Jones) in trying to sell their eleventh-hour improvements to veterans health care. Given that the matter is of enormous importance to veterans and to Members of the House, will the right hon. and learned Lady try to encourage her colleagues, if it is not too much trouble, to come to the House to explain what they plan so that that can be subject to proper scrutiny here?

Ms Harman: The hon. Gentleman is wrong to talk about eleventh-hour improvements to veterans health care. There has been a sustained focus on the improvement to veterans health care, whether that is primary care, with new arrangements with the NHS, hospital care or mental health services. If he looks at the Command Paper that was issued by the Secretary of State for Defence a couple of years ago and all the work that has transpired following that, he will realise that his comments are ill-judged. If he wants to suggest anything specific that would contribute to the improvements that are under way, I am sure the Secretary of State for Defence, working with the Health Secretary, would look at that positively.

Mr. Mark Harper (Forest of Dean) (Con): As the Leader of the House knows, the Constitutional Reform and Governance Bill is being debated next week. Being formidably well briefed, she will also know that my new clause 1 would remove section 141 of the Mental Health Act 1983, which discriminates against Members of Parliament who have a mental health problem. She will also know that Mr. Speaker's Conference on parliamentary representation recommended that that provision of the Mental Health Act be abolished as soon as possible and a Select Committee report on it. She will know, too, that a Minister in the Justice Department committed the Government to that course of action this Tuesday. I have written to my right hon. Friend the Member for East Yorkshire (Mr. Knight), the Chairman of the Procedure Committee, to ask his Committee to look at the matter at the earliest opportunity. If he does so and brings his recommendations forward, will the right hon. and learned Lady ensure that the House gets an early opportunity to make a decision so that people in this country with a mental health problem recognise that Members of the House treat mental health and physical disabilities in exactly the same way and do not discriminate against one or the other?

Ms Harman: I strongly support the work that the hon. Gentleman is doing on that and the principles that lie behind it. It has, as he says, been taken up by work underlying the Speaker's Conference. The matter is still under consideration; but I will make sure that we get back to him as soon as possible to let him know how we intend to respond to the situation when the CRAG Bill returns to the House.

Mike Penning (Hemel Hempstead) (Con): I am sure the Leader of the House and all colleagues in the House will pay tribute to our armed forces in Afghanistan, whom I had the pleasure of visiting last week. What was very sad and very annoying was that when we went through Brize Norton, Commonwealth soldiers who are fighting for this country, for our armed forces, were segregated and not allowed to fly with the rest of the British soldiers because they did not have a British passport. I can see that the right hon. and learned Lady is somewhat bemused by that. Will she contact the Ministry of Defence and find out why Commonwealth soldiers, particularly South African soldiers, are not allowed to go through the United Arab Emirates into theatre and why such segregation takes place, and come back to the House to explain why they are treated in such an appalling way?

Ms Harman: I will ask the Secretary of State for Defence to write to the hon. Gentleman and place a copy of his letter in the House of Commons Library.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): On the Wright report, I agree that we cannot go on like this, with suspicious minds. To allay suspicions, given what the Leader of the House said, could she reply to the Wright Committee setting out which of the 21 Wright report recommendations she plans to put, thereby helping everyone to identify which recommendations do not currently find favour with the Government? That would be open and straightforward. I commend that action to her.

Ms Harman: The issue is not just about those recommendations that do or do not find favour with the Government, but about those on which we think there is a good prospect of achieving a consensus. I ask all hon. Members, when they talk about the issue, at least to be fair and recognise that there is no House unanimity against which the Government are standing; there are different views, and we have to work out where there is a consensus. It is not just a question of what we do not find favour with; it is a question of the recommendations with which we think the House is able to move forward. All the motions will be tabled in good time so that hon. Members can consider them, and I have told the House about the four big-ticket areas where we want to make changes. They are the election of Select Committee Chairmen; the election of Select Committee members; the ability to introduce private Members' motions to the House and vote on them; and a business Committee for Back-Benchers' issues. Those are important areas, and I hope that we can move forward on them.

Tim Loughton (East Worthing and Shoreham) (Con): Child protection issues have remained prominent in the headlines since the tragic events at Edlington, and, while the Government have been in denial, suppressed reports have been oozing out of Doncaster showing what a basket-case the local authority was. One report that I have seen shows that social workers were not registered, and that children's services staff were not

even Criminal Records Bureau-checked. Can we have a rational debate on that topical and important subject to ensure not only that other serious case reviews that are due to come out are properly authored, but that we learn their lessons properly? We will not do so all the time that they are not published.

Ms Harman: That matter was discussed in the House in 2006, when child protection issues such as serious case reviews were reformed and reviewed. I certainly think it right that all the findings from which lessons need to be learned be made public; there is no point in producing a finding and then not sharing it, because all those people who are supposed to act differently will not know and the lessons will not be learned. However, it has been agreed over the years, with the support of children's organisations and, indeed, the official Opposition, that the investigative background to the findings be not published, so that the investigation can range widely. The Opposition have not made any substantive proposals to change that; they have come forward with lots of fire and brimstone. Therefore, it would be much better to have a sensible discussion about how we bring into the public domain as much information as possible—within the purview of those serious case reviews—and then the findings. We all recognise that there were major problems in Doncaster, and they are being addressed.

Mr. Paul Burstow (Sutton and Cheam) (LD): May I draw the right hon. and learned Lady's attention to early-day motion 623, which concerns First Capital Connect's disastrously—shockingly—bad service to its passengers?

[That this House believes that the ongoing disruption to First Capital Connect services travelling into London needs to stop; deplores the severe reduction in timetabled services due to mismanagement by First Capital Connect, which has not employed enough drivers to cover the shifts needed; is concerned that commuters are having to find alternate routes into work and school, adding considerable time and expense to their daily journeys; notes the petition on the Number 10 website calling on the Prime Minister to act on this matter; calls on the Secretary of State for Transport to recognise this gross lack of competence; further notes that the current disruption is a breach of the franchise; and further calls on the Secretary of State for Transport to serve immediate notice to terminate the franchise agreement with First Capital Connect and to offer the franchise to a more capable organisation.]

Some 4,923 people have signed the petition on the No. 10 website. In Transport questions I asked the Minister of State to set out how soon we could expect the Secretary of State to come to a view about whether First Capital Connect will have its franchise terminated. The Minister did not answer that question, so can we have a statement as soon as possible so that he can answer it and say what else the Government are doing?

Ms Harman: The hon. Gentleman will have an opportunity to raise that issue on Thursday 25 February in a debate about the Transport Committee's report on rail fares and franchises.

Mr. Philip Hollobone (Kettering) (Con): Will Her Majesty's Government support the Sustainable Communities Act 2007 (Amendment) Bill, which is scheduled for future business? While ensuring proper scrutiny, will the Leader of the House try to encourage its prompt and efficient passage through both Houses before Dissolution?

Ms Harman: I shall ask the Secretary of State who is responsible for that work to write to the hon. Gentleman.

Mr. Andrew Pelling (Croydon, Central) (Ind): The Leader of the House is aware that Croydon's branch of the Young Christian Workers came to see me in the House this week. It is made up mainly of eloquent young women, although there are some young men in it, too, and they were here to talk about the continuing "Get Fair" campaign. Would it be appropriate, before the general election, to have a debate in the House about the important issue of poverty reduction among young people? It has been at the centre of the Government's programme of work throughout many Departments, but much more needs to be done, which is why the YCW's "Get Fair" campaign is so important.

Ms Harman: I thank the hon. Gentleman for raising that issue, because it gives me the opportunity to join him in commending the work of Croydon's Young Christian Workers. Their concerns and his are shared by other young people throughout the country, and during the current economic difficulties the Government have remained committed to tackling poverty and disadvantage. The pre-Budget report committed further support to vulnerable families and set out the key principles that will guide our strategy to eradicate child poverty; and we have of course legislated to frame and enshrine those targets in law.

Greg Mulholland (Leeds, North-West) (LD): How does the Leader of the House compare the conduct and behaviour of Elizabeth Wilmshurst, who resigned knowing that she was right, with that of senior Ministers, who took us into an illegal war knowing that they were wrong? Can we have a debate in the House about what happens after the Iraq inquiry? If it emerges—as it seems it will—that the Government took us into an illegal war and breached international law, that will not be the end of the matter. Can we therefore have a debate to discuss what action will be taken if that is what emerges?

Ms Harman: We do not accept that the use of force in Iraq was unlawful, and the issue was before the House when it voted to support the use of force. The Attorney-General at the time, Lord Goldsmith, gave evidence to the Chilcot inquiry yesterday, setting out the processes whereby he, as Attorney-General, was the authoritative adviser to the Government on that issue. What happens after the inquiry has reported is a matter best considered when we have had an opportunity to see its substantive report.

Mr. Speaker: I am grateful for the co-operation of the House, thereby enabling all colleagues to be accommodated within the session in a reasonably timely fashion. We are going to proceed to the topical debate—

Bob Russell *rose—*

Mr. Speaker: But not before we have heard a point of order from the hon. Gentleman.

Point of Order

12.26 pm

Bob Russell (Colchester) (LD): On a point of order, Mr. Speaker. I seek your guidance and help as to how hon. Members can access official Government reports. I refer to the report entitled, "An Anatomy of Economic Inequality in the UK", which the Government Equalities Office produced. Copies were made available to the media on Tuesday, but the report is still not available in the Vote Office, and the suspicion is that, because the report includes very bad news for the Government, it was released in a crowded news week with stories about Afghanistan and Northern Ireland. It is a damning report on the Government's incompetence on poverty in the UK over the past 12 years or so, but hon. Members still cannot obtain a copy of it in the Vote Office.

Mr. Speaker: I am very grateful to the hon. Gentleman for his point of order. I understand his frustration, which is almost certainly shared by other right hon. and hon. Members, that the report is not currently available in the Vote Office—though my understanding is that the Vote Office has received copies of the Government's response to the report. I accept that that is an unsatisfactory state of affairs; I gather that the Vote Office is working at this moment to put matters right; and the hon. Gentleman of course has done us all a service by placing his concerns on the record.

Holocaust Memorial Day

Topical debate

12.27 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Shahid Malik): I beg to move,

That this House has considered the matter of Holocaust Memorial Day.

I am grateful to my right hon. and learned Friend the Leader of the House for selecting this subject for debate. Holocaust memorial day is a commemoration that enjoys support from all parts of the House. It is right that hon. Members make time to discuss these issues, which have such enduring significance, and it is right that we stand together as one to send a clear message to those who minimise, dispute or even deny the relevance of these issues today. As someone who has visited the Majdanek death camp, I feel repulsed by some of those individuals.

I am confident that hon. Members will join me in ensuring that the message from the House today is not just to condemn the atrocities of the past, but to affirm their ability to speak to us now. When speaking of the Holocaust, there is a constant risk. To many of us, the sheer scale of the horror is too much to take in.

Mark Pritchard (The Wrekin) (Con): The Minister mentioned Majdanek, which I had the great honour of visiting with him and other parliamentarians. Will he join me in paying tribute to the Holocaust Educational Trust, which does such great work in informing and educating parliamentarians, as well as schools up and down the land, about the holocaust?

Mr. Malik: Absolutely; the Holocaust Educational Trust, its chief executive, Karen Pollock, and its chair, Lord Janner, do an amazing job. That is why I am very pleased that between 2006 and 2011 this Government will have invested a total of some £9 million, which has already led to about 4,500 pupils and 1,000 teachers being able to go out there and really experience it.

Mr. Andrew Pelling (Croydon, Central) (Ind): I am grateful to the Minister for giving way, as I know he has limited time. May I add to what was said in the previous intervention? The Holocaust Educational Trust tells us of the sheer industrial scale of the evil of man to man. I went to Auschwitz-Birkenau, where so much evil was perpetrated in such a dreadful fashion. We must always remember that, and that is why it is important that this debate is taking place.

Mr. Malik: The hon. Gentleman is obviously correct. These are issues that we cannot just talk about in a historical context, because, sadly and tragically, they are as relevant today as they were all those years ago.

As I was saying, when speaking of the holocaust, there is a constant risk. To many of us, the sheer scale of the horror, to which hon. Members have alluded, is too much to take in. We cannot describe the enormity of what we have read about or witnessed on visits to death camps. We cannot begin to relate to the hatred that motivated people to act so barbarically. We cannot understand how people abandoned their own humanity to participate in such horrors. Many others before us

have looked at the holocaust and said, "Never again"; but appallingly the Shoah, even if unparalleled in scale, was not the horror that ended all horrors.

Julie Morgan (Cardiff, North) (Lab): I have great sympathy and support for my hon. Friend's remarks. Is he aware that the all-party group on Gypsy and Traveller law reform will today hold a meeting at which we will mark the estimated 220,000 Gypsies who died in the holocaust? Does he agree how important it is to remember what happened to the Gypsies and to all the other people who died in the holocaust?

Mr. Malik: My hon. Friend is absolutely right. At least 200,000 Roma and Sinti people were killed. It is right that we acknowledge the suffering of all those who suffered at the hands of the Nazis: some 11 million in total—a conservative figure—and 6 million of them because they were Jewish.

Mr. David Winnick (Walsall, North) (Lab): Nearly 50 years after the second world war, it is estimated that nearly 800,000 people were murdered in Rwanda; we should remember that. When the Home Affairs Committee went on a visit to Russia and Ukraine, we paid our respects—I suggested that it should be so and my colleagues readily agreed—at Babi Yar, just outside Kiev, where in September 1941 30,000 men, women and children were murdered simply because they were of Jewish origin, and nothing to do with religion or anything else; and that was before the death camps, of course.

Mr. Malik: My hon. Friend, who takes a keen interest in these issues, is absolutely correct. As I have said on several occasions, and we will all say during this debate, the scale of the horrors is very hard to comprehend and imagine. All the interventions that we have heard so far have come from people who have been touched by having made an effort to go out there and understand the issues more closely.

Dr. Andrew Murrison (Westbury) (Con): I have not been to Auschwitz-Birkenau with the Holocaust Educational Trust, but I have attended the debriefing that young people get following their visits, which is extremely salutary. Does the Minister agree that the real genius of the trust is its ability to trace the development of anti-Semitism in Germany and to impress upon young people that this happened not simply in isolation but, disturbingly and disquietingly, has parallels with the way that we live our lives today? That brings it home to young people that such things could happen again, and, one hopes, helps us to guard against that. That is the real message of the Holocaust Educational Trust.

Mr. Malik: The hon. Gentleman is absolutely correct. That is the power of the work of the trust. It ensures that people understand the relevance of that historical genocide and holocaust in today's world, and understand how something so evil that it is completely unimaginable could start from something that was perceived in some ways to be relatively benign.

On this continent alone, we have seen thousands killed in Bosnia. As my hon. Friend the Member for Walsall, North (Mr. Winnick) said, we have witnessed 1 million people dying in Rwanda; and hundreds of thousands have died in Darfur. In Cambodia, well over 1 million people died. These figures are surely incomprehensible. Yet it is not the numbers alone that speak of the evil of genocide—it is the mentality of those who committed the acts, systematically dehumanising people on account of their race, their religion or their ethnicity; treating them worse than livestock. The inhumanity is not the victims' but the perpetrators'. A phrase used by the Khmer Rouge brutally sums up this inhumanity: "To spare you is no profit, to destroy you is no loss."

Perhaps the degree of evil allows us some hope. The fact that we feel such discomfort in the face of horror allows us to reassure ourselves that this could never happen in our lifetime. But I hope that hon. Members agree that this hope would be misplaced. We cannot simply say, "Never again." Only if we act on our hope—if we determine that we will learn history's lessons—will we have honoured the memory of those who suffered and perished in the genocides.

Mrs. Theresa Villiers (Chipping Barnet) (Con): I am sure that the Minister will agree that Holocaust memorial day provides a salutary reminder not only of the gravity of the evil of which humanity is capable but of the fact that so many people stood by and let it happen; that is one of the most disturbing things that I have always drawn from these commemoration days. It is also worth remembering, however, that not everyone did that, and that some people stood up for those who were being persecuted. In that respect, it is particularly important to remember those who supported the Kindertransport, which saved so many Jewish children.

Mr. Malik: The hon. Lady is absolutely correct. Edmund Burke reminds us that, for evil to prevail, all that is required is that good people do nothing. She is also right to highlight the importance of recognising the efforts, in some cases courageous efforts, of those who did so much, often at personal risk to themselves. That is why, in April last year, the Prime Minister announced that we would commemorate those holocaust heroes—something that we are hoping to do very shortly.

As some hon. Members will be aware, I am proud to be a trustee of the Holocaust Memorial Day Trust; I am also a patron of the Wiener Library. Yesterday marked the 65th anniversary of the liberation of Auschwitz-Birkenau, which has become a byword for the evils of the holocaust. The theme of that day was "The Legacy of Hope". I attended the national day in London, while tens of thousands of people gathered at hundreds of local events.

Mr. Jim Cunningham (Coventry, South) (Lab): I have been to Auschwitz, which is horrendous for anybody who goes there. I am glad that the Government, through their education policies, are encouraging schoolchildren to go from Britain to visit that place, because going there and seeing the photographs of young women—looking into their eyes, they seem to be pleading—is horrendous and has quite an effect. I urge the Government to encourage a lot more of those visits.

Mr. Malik: My hon. Friend is obviously right. It may sound perverse, but for those of us who have had the privilege to go there, it has been truly life-transforming. That is why the work of the trust is so important.

[Mr. Malik]

The inspiration for Holocaust memorial day was the "Secret Archive of Oneg Shabbat". The archive is a compendium of testimonies and histories of various residents from the Jewish ghetto in Warsaw, which were written down and buried in milk churns. The historian who led that process, Emanuel Ringelblum, understood well that the Nazis were not just trying to contain some Jews. They were trying to eliminate the Jews—to extinguish their presence, their existence and their history, and to cut off their hope and remove their voice.

Mr. Winnick: From the whole of Europe.

Mr. Malik: Absolutely.

That is why Ringelblum made sure that the histories were buried. Although the Nazis did not find the histories, other people uncovered them some years later. For that reason, the victims are not forgotten. Their voices speak today, and their legacy is one that gives us hope. If we are prepared to listen, it gives us hope that their suffering is our cause for action.

John Mason (Glasgow, East) (SNP): The Minister has mentioned hope a number of times, and I do not want to go against that, but does he share my opinion that this is a long-running issue? In 1290, the Jews were expelled from this country, and we cannot be over-optimistic that that will not recur in the future.

Mr. Malik: If the hon. Gentleman is saying that there is no room for complacency, he is, of course, right. History is supposed to teach us, and it teaches us that such things happen again and again, but it might not teach us well enough that we learn. That is the challenge for us: to learn from history to ensure that we do not repeat the mistakes of the past. We are much better placed today than we have ever been, but there is no room for complacency whatever.

Angela Watkinson (Upminster) (Con): I am most grateful to the Minister; he is being generous in taking so many interventions. One of the most chilling lessons that I learned from visiting Auschwitz-Birkenau was that, to those who conducted the mass killings, these were not wild, emotional and uncontrolled murders, but dispassionate, calculated, organised and justified. Meticulous records of the killings were kept. Does the Minister agree that we must learn that lesson and be aware of that aspect if we are to ensure that such things never happen again?

Mr. Malik: It is profoundly chilling to consider that there was an era where so many people could believe that it was right to do what they did, in the way that they did it.

Survivors, too, give us hope. I know that many in this Chamber will have met survivors of the holocaust, and any hon. Members who have had the privilege of speaking to them will agree that it is a deeply humbling and profoundly moving experience. The histories on the written page may record some of the horror, but they cannot properly capture the triumph of the survivors. I understand that that is an odd word to use in this context, because all the survivors will have endured unimaginable suffering and the loss of loved ones. But their spirit and dignity in the face of what happened is a triumph, and I pay tribute to them.

A number of survivors spoke yesterday, and others had their testimonies read out by young people. Those present witnessed the force of the survivors' stories. We were then challenged to become part of the legacy of hope. I can do little better than read the invitation from the day's organisers:

"Our responsibility is to remember those who were persecuted and murdered, because their lives were wasted. Our challenge is to make the experience and words of the victims and survivors of the Holocaust and subsequent genocides a meaningful part of our future...It is their example that can inspire us to greater action."

My commitment to the legacy of hope is not just as an elected representative or as a Minister, but as one who shares humanity with those who died. My aim is to do all that I can to ensure that the evils of racism and hatred are challenged and rooted out. Hon. Members know that the Government have worked hard to promote the UK Holocaust memorial day—obviously with cross-party support. We give a sizeable grant to the Holocaust Memorial Day Trust to help it to do what it does. We also support the Holocaust Educational Trust, as I said earlier, which does outstanding work to raise awareness of the holocaust among young people and others.

Mr. Pelling: As the Minister comes to the conclusion of his speech, would he acknowledge that today is a chance for us to think positively about forgiveness and redemption? For instance, the German Government have given moneys for a proper facility at Auschwitz-Birkenau.

Mr. Malik: It is true that those countries found wanting at that time—and it was not just Germany—have learned much and are incredibly progressive. It is also true, however, that there are still elements in those countries who, not so far behind the scenes, are not so disappointed with that past. That is why we have no room for complacency whatever.

I pay tribute again to the chief executive of the Holocaust Educational Trust, Karen Pollock, and to its chair, Lord Janner. I pay tribute to them for the work that they have done with all political parties and for the way in which they have captured the imagination of young people throughout the country through their work. I pay special tribute to Stephen Smith, the former chair of the Holocaust Memorial Day Trust, who has gone on to be chief executive of the Shoah Foundation in the USA. That is just recognition of the exceptional skill and commitment he brought to bear in raising awareness of the holocaust, through the trust and elsewhere, in a way that is meaningful to our lives today. The money from the Government has been magnified many times over through his dedication and that of other colleagues.

On the subject of survivors, Eva Schloss, the stepsister of Anne Frank, was in my constituency. Often, when we are fighting the far right, we equate them with Nazis and it does not quite work. In this case, when one of the kids in my constituency asked her, "What do you think about the BNP?" she said, "I think they're no better than Nazis." That was so powerful, and it had an impact in a way that our literature could never achieve.

On that note, I look forward to hearing the views of right hon. and hon. Members on a subject that rightly commands the support of the whole House.

12.48 pm

Robert Neill (Bromley and Chislehurst) (Con): I am sure the whole House will be in accord with the Minister, both in the content of his speech on this important topic and in the manner in which he made it. Occasionally, he and I have our differences, but on this issue he, I and everyone else in this House are entirely united. We are all grateful for the opportunity to debate this important topic.

The Minister is right to recognise the importance of Holocaust memorial day and right, too, to recognise the tremendous work of the Holocaust Educational Trust. Many of us will have come into contact with it, and we have found our experience, and our knowledge of this subject, enriched—if that is the appropriate word for so dreadful a topic—by its work. It is right that everyone has the chance to understand the horrors of what happened, so I endorse entirely everything that the Minister said.

I, too, am sure that those of us who have had the privilege of meeting holocaust survivors will have been profoundly moved by their testimony. As the generation who suffered in the holocaust leaves us, it is all the more important that their memories are kept alive and that the lessons are learned. I was particularly struck by the comments of Members who have visited Auschwitz-Birkenau. My hon. Friends the Members for Ilford, North (Mr. Scott) and for Upminster (Angela Watkinson) and I have visited it with the Holocaust Memorial Day Trust. Not only was it a deeply moving experience, but two things about it particularly struck me.

First, it might seem trite, but it is worth restating the sheer banality of the circumstances that gave rise to such horror, and the ordinariness of what had been a run-of-the-mill army barracks but was suddenly turned into an industrial machine for the mass murder of human beings. We were standing in an office that could have been something like a 1930s local government office, but in fact millions of people were consigned to their deaths there. That brings home the fragility of what we take to be civilisation and sophistication in an advanced western society.

Mr. Pelling: May I add to the hon. Gentleman's comments about the banality of Auschwitz-Birkenau? When we visited, we saw the pictures of a band welcoming people who had come there. That was one of the saddest deceits that could have been made against people who were ultimately, or sometimes immediately, going to their death.

Robert Neill: The hon. Gentleman is absolutely right, and we must learn the lesson from the way in which Germany, which had been a democratic state, was perverted, taken over and turned into a fascist dictatorship. We must learn just how easily that can happen, even in an educated and sophisticated society, and how the models of everyday life can be twisted and perverted to evil ends. That strikes us hugely strongly.

The other thing that struck me at Auschwitz-Birkenau came from looking at many photographs, which I also had the chance to do when I visited the holocaust museum in Israel. I thought back to the photographs that I saw of my parents as young people and my grandparents at about the same time, in the 1930s and '40s. Those in the photographs that I saw were the same type of people, from every rank of society and dressed in much the same fashions of the time. In a sense, it could have been my parents and grandparents. It is hugely important to bring that home to people. It echoes the words of Pastor Niemöller that he did not speak up for others when people came for them, and in the end no one was left to speak up for him. That is a hugely important part of the work.

Mr. David Burrowes (Enfield, Southgate) (Con): I commend what my hon. Friend is saying. The message that came across to me and the students from my constituency who went to Auschwitz-Birkenau two years ago, which I was reminded of yesterday, was that the holocaust was not just about the huge scale, numbers and evil consequences but about the individual lives lost and the effect on families and communities. Future generations of families were lost, and that message certainly came home yesterday.

I commend the Holocaust Educational Trust for its ongoing work, not just for what happened yesterday. I was appreciative to hear that in my school, holocaust educators do work throughout the curriculum throughout the year to bring the message home.

Robert Neill: I agree entirely with my hon. Friend's sentiments. In fact, I will turn in a moment to some of that work.

The final thing that I was going to say about my visit and the lessons of it was on a point of irony. The evening when we came back from Auschwitz-Birkenau, the leader of the British National party was on "Question Time", which seemed to me a particularly obscene juxtaposition and perhaps reinforced my point about the need for vigilance. Even in societies that we think are sophisticated and democratic, that can be undermined. We must always be alert to that.

Mr. Lee Scott (Ilford, North) (Con): Does my hon. Friend agree that even though people put on suits and ties and stand on doorsteps telling lies, a Nazi is still a Nazi today as it was during the war years?

Robert Neill: My hon. Friend is absolutely right—evil is evil however it is dressed, and we need to restate that continuously. I was struck by an interesting article in *The Times* by my hon. Friend the Member for Surrey Heath (Michael Gove), who made the interesting and historically justified point that anti-Semitism is a virus that mutates. The hon. Member for Glasgow, East (John Mason) mentioned the expulsion of the Jews from this country in mediaeval times, and my hon. Friend pointed out in his article that over the years, the rationalisation for anti-Semitism has changed and been twisted. Initially it was perhaps on the basis of religion, the blood libel and so on, and then it was twisted almost in Nietzschean terms to a scientific, race selection reason. Even today, we have to be alert to the fact that it mutates again into a denial of the right of the Jewish people to self-determination and a homeland.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does the hon. Gentleman share my concern that the Community Security Trust, in its meticulous collection

[Mrs. Louise Ellman]

of data, has shown that there has been a record rise in attacks on Jewish people? Is that not a stain on our society?

Robert Neill: The hon. Lady is absolutely right, and I have been greatly impressed by the impeccable work of the CST. I have come across a number of its organisers and volunteers, and it is right to remember that they do great work. It should be a matter of the deepest concern to all Members that such attacks can continue and that external factors are often perverted to give rise to the increase in anti-Semitism, which I am sure we all condemn.

Mr. Winnick: I agree with that. Saturday will be an unhappy anniversary, because it will be 77 years to the day since Hitler was appointed Chancellor by Hindenburg. Returning to the domestic scene, which the hon. Member for Ilford, North (Mr. Scott) mentioned, does the hon. Gentleman accept that although immigration is a perfectly legitimate subject for debate—no one is suggesting otherwise, certainly not myself—there should be particular care in the coming general election about how the debate is conducted? It must be very far from the BNP. If we are talking about discrimination and the persecution of Jews, we must bear in mind that as we saw in Stoke last Saturday, there are also other groups in this country who are subject to racist thugs who will use any sort of lie against the Muslim community.

Robert Neill: The hon. Gentleman is right. That is why it is important first that the mainstream democratic parties are not afraid to address these issues, but also that we set a lead in the tone and responsibility with which we do so. That is hugely important. He is quite right that issues are sometimes hijacked by extremists—we have seen the operations of the English Defence League as well as the BNP, and it is right that we are vigilant against extremism of all kinds.

I mentioned the work of the Holocaust Educational Trust, which many hon. Members have referred to. I am glad that we are able to do so. It was a Conservative Government who had holocaust education introduced into the national curriculum in 1991, and I am glad that the current Government have enabled that work to expand and continue. My party will always continue to support it, as I am sure all responsible and democratic parties will. It is important that holocaust education remains a part of the core history curriculum. As other hon. Members have said, I hope that other opportunities are taken to bring the topic forward within the curriculum as well. Some local education authorities ensure that it is addressed in religious studies, citizenship and other appropriate areas. It is important that every opportunity is sensibly and sensitively used, and I am sure that we all want funding for such schemes to be supported and continued, because education is crucial to all of us in dealing with these matters.

The Holocaust Educational Trust's outreach programme is crucial and central to its work. I have had the privilege of witnessing in some schools the profound impact that a survivor or someone with direct experience makes. The "Think Equal" scheme has been devised specifically for schools in areas of racial tension and it therefore deals to some extent with the issues that the hon. Member for Walsall, North (Mr. Winnick) rightly raised. We should not limit the education to being about only one community. The scheme works with staff and educators to enable students to focus on the dangers of racism across the board, taking the holocaust as an experience that leads to general application. Surely that, too, is commendable. The scheme also provides training for trainee teachers. It is hugely important that teachers are alert to the subject. Holocaust memorial day is therefore the visible part of a much wider, more significant and very valuable programme.

I hope that the good work that is done in schools will be reflected in some of our institutions of higher education. I greatly hope that we will continue to make the case to the university sector for adopting the EUMC—European Monitoring Centre for Racism and Xenophobia—definition of anti-Semitism and to deal appropriately with speakers who transgress.

There are still things that we can do practically to take the survivors' legacy forward. The students from Bullers Wood school in my constituency, with whom I had the privilege of travelling, were bright, intelligent young people and the experience played on their minds. One could tell that from talking to them on the plane coming back. That is why the programme is important and I am glad to say that more students from schools in my constituency and many others throughout the country will go this year.

My right hon. Friend the Member for Witney (Mr. Cameron) represented the official Opposition at the national commemoration yesterday. We are united in recognising the importance of Holocaust memorial day, and I echo my right hon. Friend's words that it is

"vital that we teach generations today and in the future"

about what happened and the lessons to be learned. I am sure that all parties in the House wish to continue to support the work of the Holocaust Educational Trust and that we all appreciate the importance of Holocaust memorial day.

1.2 pm

Mr. Andrew Dismore (Hendon) (Lab): I am pleased that my right hon. and learned Friend the Leader of the House accepted my request for the debate, which has become an annual institution. Yesterday was the 10th national Holocaust memorial day commemoration. I take pride in the fact that I devised the parliamentary strategy that led to its being established. I do not take credit for the idea behind it, but for focusing the campaign to make it happen. That occurred after a visit I paid to Auschwitz with the Holocaust Educational Trust and the personal impact it made on me.

We all have our memories of a visit to Auschwitz and it is always something little that suddenly strikes us. What struck me, from the industrial scale of what I saw, were the piles of shoes and boots, from which every single shoelace had been removed by some poor slave labourer. That brings home the industrial nature of what happened.

I pay particular tribute to Rabbi Barry Marcus for his work. On the plane back from the visit, I thought, "What can I do as an individual to stop this happening again?" Having the privileged position of being a Member of Parliament meant that I had access to the private

Member's Bill process and parliamentary questions to push forward the idea of a memorial day on a cross-party basis.

The motivation was not just to draw attention to the visits to Auschwitz, but to reflect on what I picked up from my constituency. I have the biggest Jewish constituency in the country—one in five people are Jewish. The holocaust is in many ways a living thing in that community. Many debates, discussions and arguments about its implications for modern society go on. However, those discussions are introverted and go on among Jewish people, and I took the view that we needed to try to turn them outward to engage society as a whole. If there were another holocaust—please God, there will not be—it would not come from within the Jewish community, who would be the victims, but from wider society, as happened in Germany. It would come from people from my sort of background—an ordinary small town in Yorkshire or wherever, where there are not many Jewish people. That is why it is important to turn the debate outwards.

The idea was not to rival Yom HaShoah, the Jewish community's own commemorative day. There were arguments in the Jewish community about whether it was a good idea and what day it should be. The purpose was to educate and inform about the lessons of the holocaust, not just on one day, but to use that day as a focus for schools and communities throughout the country. Consequently, events happen throughout the country, including in my borough of Barnet, though, for the first time, I was not invited this year, which I found distressing. We see a lot on broadcast media. Wonderful documentaries have been made and there is good news coverage. Of course, tribute has been paid to the Holocaust Educational Trust, and I am pleased that the visits to Auschwitz are supported by grants from our Government.

As has been said, the holocaust was not about just the Jews, but the Roma and Sinti, gay people, disabled people and political opponents. I have had the opportunity of meeting holocaust survivors at the Holocaust Survivors Centre, which is part of Jewish Care and is based in my constituency. An estimated 5,000 survivors of the camps or refugees live in the UK now, but they are, inevitably, a dwindling band. Indeed, I spoke to the chap sitting in front of me, who was a holocaust survivor, at the ceremony yesterday and he told me that seven of his friends had died in the previous year.

I pay tribute to Judith Hassan, Jewish Care's director of services for holocaust survivors and refugees, and her staff for the work of the Holocaust Survivors Centre. It provides a social centre for survivors, practical advice, befriending and, most important, a recording of testimonies. As survivors age, it is vital that their legacy is recorded. The imaginative legacy of hope means that those testimonies must live on.

We have all heard the moving stories of many prominent holocaust survivors—Ben Helfgott, Gena Turgel and others, who do such magnificent job going around schools—but talking to those who perhaps do not have the same confidence or are less prominent, such as the chap to whom I spoke yesterday, also sends out the message.

Like my hon. Friend the Minister, I visited Poland with the Holocaust Educational Trust and the all-party group on anti-Semitism. We went to Warsaw and Majdanek. As my hon. Friend said, in Warsaw, we saw the effort not just to eliminate the Jews, but to obliterate all memory of them. The first thing we saw were tram tracks going nowhere in the middle of a wasteland. Our guide said, "Before the war, this was the Warsaw equivalent of Oxford street." It had been completely obliterated. We have heard of the ghetto uprising—the first civilian uprising against the Nazis. The Jews were outnumbered 1,000 to one, and the Germans' technological advantages were enormous, but they held out for nearly a month—27 days in 1943—to make the point that there were people who were prepared to resist.

My hon. Friend the Minister mentioned Oneg Shabbat, the extraordinary archive—the secret archive, which was inspired by Emmanuel Ringelblum, a holocaust victim, to ensure that the memory of the Jewish community lasted. Those people had no way of knowing whether the milk churns would be found, or whether they would be found by the Germans and destroyed, but that was their legacy of hope. In Emmanuel Ringelblum's words:

"It must all be recorded with not a single fact omitted. And when the time comes—as it surely will—let the world read and know what the murderers have done."

I also had the opportunity of meeting Elie Wiesel when he came to receive his honorary knighthood. He said that

"hope without memory is like memory without hope."

On our visit to Poland, we went to villages where all traces of the substantial majority Jewish population have been eliminated—completely wiped out. In one village, we found the synagogue down a back street, locked up and now used as a store room. The grave stones had been dug up and used to pave the roads. Some had been recovered and turned into a moving and poignant memorial in the forest some distance away from the village.

As my hon. Friend the Minister said, we visited Majdanek on the outskirts of Lublin. The Polish people must have known what was going on there; they were pretty powerless to do anything about it. We visited the Parliament in Warsaw, and what brought matters home to me there was the memorial to hundreds of Polish Members of Parliament who had been murdered by the Nazis. Those who had not been murdered by the Nazis were killed by Stalin. That brings it home that if it had happened here, none of us would have survived because the intention was to eliminate the leadership of the country.

It was interesting to talk to the Chief Rabbi in Poland—an American rabbi who had gone to live there—and hear how children of the holocaust who had been adopted by Polish families and become Catholics, because that was predominant religion in Poland, were now rediscovering their Jewish heritage and looking into their backgrounds and families.

I pay tribute to the Yad Vashem "The Guardian of the Memory" scheme, which I launched in Parliament two years ago on 23 January 2008. The idea behind it is for us all to take on the responsibility of remembering a victim of the holocaust and light a candle on Yom HaShoah. I asked Yad Vashem whether it could identify victims of the holocaust who were MPs, and it came up with 12 names, whom we paired with living MPs. I chose Itzhak Seiakis who was a Greek MP—the whole House knows that I am quite interested in Greek affairs and speak Greek. Seventy-seven thousand Jews lived in

[Mr. Andrew Dismore]

Greece before the holocaust; 60,000 were murdered. All we knew about Itzhak was that he was born in 1882 in Larissa and died in 1942 in Auschwitz. Rather than just light a candle, I felt it was incumbent on me to find out more about him and to turn him into a person, as it were, in memory.

Using my connections in Greece, I was able to establish that his family in Larissa were merchant tailors, originally from the island of Khios. He had been educated to a high level, probably in either Athens or Istanbul. He moved to Thessaloniki, where he became a Member of Parliament and director of the community charity organisations of the city. He was arrested along with the rest of the panel of the directorate on 14 April 1941 only six days after the Germans invaded. After a few weeks in prison in that city, he was deported to Auschwitz, where he died in 1942.

My researches enabled me to identify a living relative, Alberto, who was living in an old people's home in Thessaloniki. He did not speak any English, so I had to try to make contact with him in Greek, but unfortunately he died weeks before I was able to do so. I regretted that I had not been able to find Alberto Seiakis's legacy of hope and hear his story, and fill in the gaps about Itzhak.

For me, that was about trying to build on that legacy of hope—learning about people whom it is difficult to find out about. We can easily find out about prominent people, but the people who are not easy to find out about make up the 6 million Jews and the 11 million victims. Every single one was a real living person. When we talk about the telephone numbers of people who died, it is easy to forget that each was an individual person with their own family, hopes and aspirations, all of which were snuffed out by the Nazi holocaust.

Have we achieved very much? There are still many outstanding issues from the holocaust—holocaust restitution, for example. Only last year, Parliament unanimously passed the Holocaust (Return of Cultural Objects) Act 2009, which I introduced as a private Member's Bill. It will come into force in a few days' time so that we can close yet another chapter in the holocaust and enable people to reclaim their looted works of art.

Has Holocaust memorial day achieved the objective we originally set out for it 10 years ago? There is no doubt that there is a much wider knowledge of the holocaust now than 10 years ago; that the holocaust features in our school curricula much more than it ever did; that Holocaust memorial day has provided a focus for communities to come together to talk about the holocaust; and that it has provided an opportunity to confront those Holocaust deniers such as the British National party, as we saw with Nick Griffin on "Question Time".

Holocaust memorial day has also, indirectly, brought alive the holocaust for the Armenians, although they are not commemorated as part of the process. However, it has not prevented the genocide in Darfur. We remember Rwanda, Bosnia, Cambodia, East Timor and all the other genocides that have taken place since 1945, but genocide is still with us. We must remember, through Holocaust memorial day, that there is still an awful lot more for us to do if we are ever to eliminate genocide from our planet.

1.13 pm

Mr. Paul Keetch (Hereford) (LD): I join the whole House in marking this day and pay tribute to the hon. Member for Hendon (Mr. Dismore) for his personal effort over many years to ensure that the House and Parliament mark this important day.

The Minister and the hon. Member for Bromley and Chislehurst (Robert Neill) mentioned the BNP, and I add my condemnation of those Nazis. What I find particularly distasteful is its use of the Union flag to promote its vile and outrageous policies. The House and the whole country acknowledges that. My father fought in the war, in the Royal Air Force, and my mother was a nurse in the war. For all who fought Nazism in Germany, Italy and other parts of the world, I find the BNP's parading of the Union flag in that way quite repugnant. We should be concerned about that.

We have Holocaust memorial day for two reasons, the first of which is to remember. We remember those 11 million people and 6 million Jews, the intellectuals, Gypsies, liberals and communists—people whose only crime was an accident of their birth or their views. They were not combatants or soldiers and they were not fighting a war; they were innocent men, women and children. As has already been described, they were slaughtered in an industrial way—it was not a frenzied killing or a knee-jerk reaction, but a cold calculated, brutal act of genocide.

It marks—I suppose—the low point in human existence, because the people who did it were led by an elected Government and people who were in other ways intelligent, sensible and rational. Yet because of their hatred for certain sectors of society, they were able to perpetrate that crime. We should never forget the basic fact that it was done in our world, in our continent.

The second reason why we should mark Holocaust memorial day was given by George Santayana:

"Those who cannot remember the past are condemned to repeat it."

Sadly, as colleagues have already said, the holocaust that occurred in Nazi Germany, though bigger than almost any we have ever seen, was not the last. We have seen genocides in East Timor, Cambodia, Tibet, Burma, Bosnia, Ethiopia, Rwanda and Darfur—the list is very long—and we must never forget that we have an ongoing role in our lives, in our Parliament and in our communities to ensure that people remember what has happened and that they do not let it be repeated.

For that reason, I too congratulate the Holocaust Educational Trust, Karen Pollock and Lord Janner on the magnificent job they have done in getting the importance of listening and understanding across to young people, who perhaps do not have the same connection that some hon. Members have with those who fought in the war or who remember directly. I have not been on one of the trips to which hon. Members have referred, even though I have been invited on a number of occasions. I would like to go—even if saying that I would "like" to go sounds crazy. Sincerely, it is obvious that those who have been have found great strength. Children from my constituency have been on the trips, and it has brought home to them what happened.

I pay tribute to those from this country who tried to do something—the Kindertransport has been mentioned. We should not forget the people in this country who

tried to do something before the outbreak and in early stages of war. The British Committee for the Jews of Germany and the Movement for the Care of Children in Germany pushed through the idea that children from Germany and the occupied territories of Austria and the Czech lands should be able to come to this country. The first transport arrived on 2 December 1938 and the last left Germany in September 1939, just before the outbreak of war. Indeed, the last transport from the Netherlands to this country left on 14 May 1940, the very day that the Netherlands surrendered.

Between 9,000 and 10,000 children came to these shores, 7,500 of whom were Jewish. It was people such as Sir Nicholas Winton who organised and facilitated that. Ordinary families from all over the United Kingdom took those children in. Those children made huge contributions to our society, and we should not forget them or the people who looked after them.

It is almost impossible to say anything new about the holocaust. The spirit to which the Minister referred led to so much good writing and eloquence, which, frankly, none of us in this House can match. I conclude by remembering the words of Pastor Niemöller. As a German in 1946, he reflected on the fact that he and others did not come and raise their issues and concerns. In 6 January 1946, he said:

"First they came for the communists, and I did not speak out—because I was not a communist;

Then they came for the trade unionists, and I did not speak out—because I was not a trade unionist;

Then they came for the Jews, and I did not speak out—because I was not a Jew;

Then they came for me—and there was no one left to speak out."

Today, in this Chamber, we are marking the fact that we remember. We should not let it happen again.

1.20 pm

Mr. Tony McNulty (Harrow, East) (Lab): It is a pleasure, if that is the right word, to speak in this debate in this place. As my hon. Friend the Member for Hendon (Mr. Dismore) suggested, we have had a role in these events through history, however small. Let me just point out to the hon. Member for Hereford (Mr. Keetch)—I had a row with Michael Heseltine about this once—that the Nazis were not elected. They never secured a majority. It was the foolishness of the Deutsche Zentrumspartei and the German Conservative party—no partisan point intended—that allowed Hitler and the Nationalsozialistische Deutsche Arbeiterpartei into power. They were never elected. That may be a small point, but I make it.

It is instructive, too, to look back in *Hansard* and read the 1937-38 debates on the emergency in Europe that led to the Kindertransport initiative. Many strong speeches were made saying that we must do something, but there were also those who asked what it had to do with us. Let us remember that this was at a time when the Prime Minister of the day, Neville Chamberlain, wrote—I do not have the exact quotation, but I cited it on the 70th anniversary of the Kindertransport—that the Jew, although rather shifty was not terribly unpleasant and we should probably do something to help them. That was the Prime Minister in 1937-38.

When my hon. Friend asks whether national Holocaust memorial day has been successful, my answer is that that is debatable. I recently did a question time with others at a synagogue in my constituency, and some of the questions asked revolved around the issue of whether it was safe for British Jewry to remain in Britain. The answer is profoundly yes, with qualifications, but if people have to ask that, we have some way to go. Why do we remember? It is for two reasons. First, we must never forget, but secondly, we must never repeat. The two go hand in hand.

Why do we remember the Shoah, the holocaust, more than any other historic event? It is because of its banality, its normality and its extraordinary ordinariness. It is because of the mechanised, industrial scale on which a state's decision to eradicate a race was carried out. We should not equivocate in comparing atrocities, but that mechanistic and industrial nature is unprecedented, and that is why we remember it and should continue to remember it. As the survivors fade away, we have all the more reason to remember. That is why I endorse what everyone has said about the Holocaust Educational Trust. I went to Auschwitz-Birkenau with my hon. Friend in 1998 or 1999, as he said, but as even Kindertransport survivors fade away, we should remember all the more. That is why this debate is important.

The main point that I wish to make is that you cannot equivocate on this issue. You cannot say that you are doing all you can to avoid a subsequent holocaust if you let things slide or pass. I say that not as a partisan point: I genuinely mean it. You cannot indulge Kaminski, given his past. You cannot indulge people who dabble with the history of the Latvian Waffen SS and claim, "That's okay, we don't really mean it and we'll gloss over their history." You cannot do that and mean it when you say, "Never again." The lesson of national Holocaust memorial day must be that you cannot be just a little bit anti-Semitic. You cannot be just a little bit of a holocaust denier, and you cannot be just a little bit in support of terrorism.

Mrs. Villiers: The hon. Gentleman discredits what were very moving remarks by making a partisan point and perpetuating falsehoods about the allies of the Conservatives in the European Parliament.

Mr. McNulty: The hon. Lady misses the point: it was not a partisan remark. I simply say that she should look at the history. I repeat my point: if Holocaust memorial day is supposed to be about "never again" as well as remembering, we cannot equivocate.

It is a disgrace that at any stage since the inception of national Holocaust memorial day the Muslim Council of Britain has boycotted it. I have said that to its members' faces, so I am not saying anything here that I would not say to them. It is very disappointing that Dr. Abdul Bari decided that Davos was more important than attending the commemorations. That is a matter of profound regret, given the nature and sensitivity of the day. Someone else from MCB attended in a personal capacity, whatever that means, and a rather junior person attended in Dr. Bari's stead. That is a matter for regret for MCB, as well as for the unity that we all seek.

We cannot say "never again" and then indulge Ahmadinejad, the holocaust denier, or others. During the demonstration in London last summer—I was not on it, but I passed it—I saw genuinely sincere people holding banners saying, "We are all Hezbollah now". That made me weep when I saw it. But the leader of that

[Mr. McNulty]

movement thinks that all Jews are the grandsons and granddaughters of pigs and monkeys, he is a holocaust denier and he wants to push Israel into the sea. That is not to say that Israel is above criticism, but that is a different matter. We cannot as a Government or a country equivocate on those points. You cannot be a little in favour of terrorism and fully support national Holocaust memorial day. You cannot, as al-Qaradawi has done, condemn 7/7 here but then say that our little children bombers in the west bank and Gaza will take on Israel because it is a war state and there is no such thing as an Israeli civilian. You cannot equivocate on such matters: you have to condemn, and you have to condemn harshly.

When I talked to the British Board of Deputies early in the consideration of my hon. Friend's Bill to introduce a national Holocaust memorial day, I said that part of the purpose was to remind people that "never again" meant exactly that. As other hon. Members have said far more eloquently than I could, we have not held to that. If we slip and indulge other people and their ideologies simply because that makes things easier for us, we will fail in ensuring that it never happens again. We should, of course, engage with all communities, including the Muslim Council of Britain, but we should do it in terms that leave people in no doubt about our collective values. That includes condemning anti-Semitism and all forms of racism. If we slip on that just a little or if we tell people what they want to hear rather, than what they should hear, we fail. We fail not only as a Government, but as a nation and as parliamentarians.

The substantive point behind national Holocaust memorial day was, of course, never to forget, but—and this is where we have our failings—it is also about ensuring that it is never, ever repeated in any form, but certainly in that mechanised, racist and ethnocentric form. We are in better shape now than we were, but we are being a tad complacent if we think that somehow, 10 years on from the first national Holocaust memorial day, we have done the business and there will never be another holocaust of any description. I hope that that is right, but that legacy of hope is what we build on and hope that it is not formed of eggshells.

1.29 pm

Mr. Lee Scott (Ilford, North) (Con): Let me start by paying tribute to Karen Pollock and the Holocaust Educational Trust for the work that it does under her inspirational leadership, not only in our schools, but on the trips to Auschwitz. Over a number of years I have visited Babi Yar, just outside Kiev in Ukraine, to which the hon. Member for Walsall, North (Mr. Winnick) referred earlier, and Theresienstadt in the Czech Republic, as it now is, but in all honesty I had always put off visiting Auschwitz. I had been invited by the Holocaust Educational Trust on many occasions and had chosen to find a reason, which comes from my history. If my grandparents on both sides had not decided to come to this wonderful country, they would have perished in the holocaust and my parents would not have been born, and I certainly would not have been born.

I went to Auschwitz on a quite cold Thursday morning with a plane full of wonderful young people, who will be our future. No matter how hard I tried, I was not prepared for what I experienced. I did not think I would react in the way that I did, and probably not a day has gone by since October, which is when I went, when it has not played on my mind. Of course I knew what happened in the holocaust. Like the hon. Member for Hendon (Mr. Dismore), I have a very large Jewish community in my constituency. We can dispute who has the largest—*[Interruption.]* We will dispute that on another occasion; none the less, I have a large Jewish community and I am Jewish myself, so I was fully aware of what happened in the holocaust. I pay tribute to the hon. Gentleman and the work he has done, and also to my good friend Lord Janner.

Like others, when I got to Auschwitz, it was the little things that affected me. For me, it was seeing the children's shoes at the start. The last time I had cried before then was on the birth of my daughter, who is now 21, but I am not ashamed to say that it was the first time I had cried since then. The experience had an effect that I cannot really put into words. We went round Auschwitz and saw the crematorium, and as we were above the railway lines where evil people decided who should live and who should die and that children should be dragged away from their parents and murdered, I was honoured to be asked to read a poem. However, I did not make it through the poem. I cried for a second time on that visit, and at one point I could not stop myself. Was it because I felt that, but for a quirk of fate, it could have been not me, but my grandparents standing on those railway lines? I am really not sure.

As we walked round with the young people, they asked me, "What can we do to stop this happening? How can we make a difference?" I said to them, "It's happening today. There are people out there who would do exactly the same today, whether to Jews, Muslims or any other minority group, because hatred is a terrible thing, and hatred without even knowing why you hate someone is even worse." After I was elected to this House, I received a phone call at my home from someone who said, "You dirty Jew. We're going to burn you to death." I obviously cannot tell the House who it was from—because I do not know—but hatred has not gone away.

We owe it to ourselves never to forget. That is why I pay tribute to the work that the Holocaust Educational Trust and others do. If we are so honoured in the coming months, I would like my party—I say this from the Back Benches, but I have asked this of my party directly—to extend the programme, so that more and more young people can go and see what happened, because out there the years go by and people do not grasp the enormity of what happened.

I should like to pay tribute to a few people in my area. Yesterday morning we stood in a quite cold holocaust memorial park, which we have built in my borough of Redbridge. I commend Councillor Alan Weinberg, who was one of the movers behind that, and Leon Schaller, who, along with others, contributed funds for the park. As Rabbi Sufrin said prayers, we stood with children from King Solomon high school and people from all different communities and religions, and we remembered. We also heard from a holocaust survivor—there are obviously fewer and fewer survivors as the years go by. I was again moved, as I am every day on Holocaust memorial day.

It is a strange thing to describe, but when somebody says, "You went to Auschwitz. What was it like?" I have to say that I was very disturbed. I want to finish with

what disturbed me the most. There were TV screens as we came in after landing at Luton airport. "Question Time" was on, and that vile man Mr. Griffin was on TV. The things he comes out with—yes, they will be dressed up to be just the right side of the law and yes, he will not actually say what he truly means—are there to divide us. I just hope that this wonderful country that we live in—and it is a wonderful country—will realise that.

Angela Watkinson: My hon. Friend has just described what disturbed him most. What disturbed me the most—he will have seen this for himself at Auschwitz—was how the whole thing was justified by the Nazis to themselves. They convinced themselves that they were not doing anything wrong. He will have seen the accommodation for the officers who ran Auschwitz—it was where their wives and children also lived—which was no more than a stone's throw from where the prisoners were kept. The people living there could not possibly have not known what was going on, so there must have been a mindset behind it all that convinced them it was justified and that they were not doing anything wrong. That was the most dangerous thing.

Mr. Scott: Yes, that is perfectly correct. The commandant and the other staff lived in close proximity to where people were being gassed. There is no way that their families did not know what was happening, but my hon. Friend is right: they convinced themselves that it was okay.

I return to my previous point: I hope that the people in our wonderful country will realise that, whatever they choose to do, the gentleman whom I have mentioned and what he represents are not the way to go.

Mr. Jim Cunningham: As I said earlier, I went to Auschwitz about 20 years ago. People can read about it or see films and documentaries about it, but it is only when they go there and see for themselves the horrendous thing that happened in Europe in the run-up to and during the second world war that they understand. We should also pay tribute to those who took on the Mosleyites on the streets of London in the '30s, because they were courageous people as well.

Mr. Scott: Again, that is absolutely correct.

Many more people want to speak in the short time we have left, so I would like to finish by again thanking the Holocaust Educational Trust for the privilege of that experience. Even though it disturbed me and even though I think about it every day, it is right to do so, because if we do not think about it, history can repeat itself, whatever group it might be. We are duty bound to ensure that that never happens again.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next speaker, let me remind the House that we have approximately 20 minutes left in this debate. Three hon. Members are seeking to catch my eye, so perhaps all three will bear that in mind when making their remarks.

1.38 pm

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): It is encouraging to see how Holocaust memorial day—set up 10 years ago following the work of my hon. Friend the Member for Hendon (Mr. Dismore) with all-party support—has become so much a part of the calendar and the life of this country. However, it was never intended that Holocaust memorial day should be the sole way in which the holocaust should be remembered. Indeed, its remit was not only to commemorate the unique evil of the holocaust, but to learn lessons from that for other genocides and the prejudice and hatred in the whole of our society. It is because remembering the holocaust and learning the lessons from it need action all year round that the work of the Holocaust Educational Trust, which was founded by Lord Janner and the late Lord Merlyn-Rees and of which I am a council member, is so important.

Last week I was privileged to take part in the Merlyn-Rees memorial lecture, organised by the Holocaust Educational Trust. There were three aspects of that event that underline the importance of holocaust education in its broadest sense throughout the year. Students from the "Lessons from Auschwitz" programme participated in that event, and talked about how their personal experience of visiting Auschwitz-Birkenau had greatly affected them and, even more importantly, led them to bring back the message about what had happened there to younger people, so that they too could learn the lessons. A reminder of the current pervasiveness of anti-Semitism was brought home very clearly by the hon. Member for Surrey Heath (Michael Gove), and I commend his excellent work in this regard, which takes place all year round.

We also listened to a presentation by Efraim Zuroff, from the Simon Wiesenthal Centre. He spoke of the importance of bringing Nazi war criminals to trial. It is important to do that to ensure not only that such people are brought to justice, but that young people today can be educated about what happened in the past. It is chilling to discover that, even now, countries such as Austria and Lithuania resist bringing war criminals to trial despite solid evidence of their complicity in mass murder. That should not be allowed to continue.

We should also look at what is happening in the United Kingdom today. The excellent work of the Community Security Trust has revealed record levels of attacks on British Jews. More than 609 incidents were recorded in the first six months of 2009, and increasing numbers of such incidents are linked with events in the middle east. There is an uneasiness across the Jewish community in this country that has not been felt for generations, and that should be a matter not only for that community but for the whole of our society. British Jews are loyal citizens of this country. They participate in and contribute to all walks of life, yet they feel increasingly uneasy and threatened in their own country.

We should also be concerned about the messages of hate that emanate from various sources, including the internet. We are familiar with the messages of anti-Semitic hate from organisations such as the British National party. We are all aware of those, and we are rightly ready to condemn what those organisations are doing. But are we as ready to condemn the anti-Semitic messages of hate that come from Islamist jihadist sources? They are present in our society, on our university campuses and on the internet.

Are we willing to condemn internet sites such as Hamas's al-Fateh website, which are preaching to British children at this moment messages such as the one in a column entitled "Stories of Uncle Izz al-Din"? The column depicts the Jews

[Mrs. Louise Ellman]

"as if they are wolves whose eyes blaze with evil, evil fills their hearts...They are indeed the murderers of the prophets".

Should we allow such a website, with its cartoon headed "Criminal Jews" that depicts a person who is half Israeli soldier, brandishing a gun and with teeth bared, and half stereotyped diaspora Jew, with a skull cap and a big nose, grasping for money? Is it right, as we commemorate Holocaust memorial day, that that internet site should be able to broadcast such messages of hate to children in this country and elsewhere in the world? I am told by the Home Office that it is considering whether there are grounds to stop the website on a voluntary basis. It should make its mind up quickly about that. If we are serious about stopping these messages of hate, we must think not only about the BNP but about Islamist jihadist sources of hate as well. That website is one of them.

Holocaust memorial day has never been only about what happened in the past, however horrendous and uniquely evil that was. It has always been about the present and the future as well. It is about learning the lessons of the past for present and future generations. When we talk about the Holocaust memorial day and remember that yesterday's commemorations focused on the message "The Legacy of Hope", we should renew our determination to fight hatred, prejudice and bigotry wherever we find them, so that we can create a society that is happy, acceptable and fit for everyone.

1.45 pm

John Mason (Glasgow, East) (SNP): The Holocaust Educational Trust makes it clear that the people who suffered during the holocaust included gays, blacks and Roma Gypsies as well as, overwhelmingly, Jews. I must admit that I did not know much about the trust until I was invited to go last September to Auschwitz-Birkenau with a group of Glasgow pupils, along with the hon. Member for East Dunbartonshire (Jo Swinson) and some journalists. It has already been observed that these journeys involve a day of preparation before the visit itself, and a debriefing and school projects afterwards.

Different things affect different people individually on these visits. For one of the journalists, what struck him was the shoes. He told us that he had a little girl, and he realised that some of those shoes would have fitted her. I was challenged in a number of ways. One related to the position of the Roma Gypsies in our society today. They are a group that some people really despise and would not want living next to them. The visit brought it home to me that those feelings are continuing today and are real.

The physical aspect of the visit that struck me was the railway. Some Members will know that I am a fan of railways and that I like travelling by train. Clearly, railways are used sometimes for good things and sometimes for bad things, but to see the railway in the Birkenau camp, which had been specifically built to kill people, struck me as particularly awful. It was built to get the Hungarian Jews into the camps as quickly as possible, quite late in the war. The last thing I did that day was to walk right along the track back to the famous gate.

I have visited other sites that I have found moving, including Terezin, near Prague. It was meant to be a transit camp, but 33,000 people died there, including prisoners of war, which should not have happened. In Israel, I visited Yad Vashem. The children's memorial there is a dark place with mirrors and a few lights, and the names of the children who died in the holocaust are read out. I found that quite overwhelming. It is also possible to visit ghettos and synagogues in other towns.

The Jews were not the sole victims of the holocaust, but they were largely so. The Holocaust Educational Trust is very good at reminding us that we should oppose all discrimination against all minorities and promote understanding and good relationships. It was a good by-product of our visit to see the children from some very well-off private schools in Glasgow mixing with children from ordinary state schools and, hopefully, understanding each other.

The Jews have suffered a lot, historically. Back in biblical times, they were treated as slaves in Egypt. They were expelled from Rome during the Roman empire. In 1290, England became the first European country to expel the Jews, and that lasted until 1656. Clearly, I am not a fan of Edward I, for a number of reasons. It was interesting that he expelled the Jews, largely for financial reasons, and that Cromwell brought them back for similar reasons. They were expelled from Spain in 1492, and from Portugal in 1497. It has been said that Scotland is the only European country not to have exercised state persecution of Jews, although there was not a large Jewish population there in the past. Also, I went to the cinema recently with a Jewish friend, and youngsters in the cinema were making anti-Jewish comments, so none of us is exempt from that kind of thing.

As time is limited I shall not go into great detail, but I want to raise the question of why the Jews are the subject of so much hatred historically. There are some superficial reasons such as that the Jews killed Jesus, but, fairly obviously, Jesus was Jewish, all Jesus's early followers were Jewish, and the whole early Christian Church was Jewish. One can say that gentiles such as me who follow the Christian faith are the second-rate believers, and the Jewish ones are the first-rate believers.

What are the lessons to be learned from the holocaust? One is that we need to be peacemakers, not just peacekeepers. As previous speakers have mentioned, it is difficult to separate the Jews from Israel. Clearly, some Jews are opposed to the current existence of Israel, and many are opposed to particular policies of the Israeli Government. I fear that for some people being anti-Israel on the surface is a cover for being anti-Jewish underneath. Among committed Christians, there are those who are pro-Arab, pro-Palestine and anti-Israel, and others who are strongly pro-Israel and seem blind to its failings.

Mr. Winnick: Will the hon. Gentleman give way?

John Mason: Another Member wishes to speak, so I will have to carry on.

On the home front, we need to learn how to treat minorities—including the Jewish one—and the poor. That is a measure of a civilised country. The Equality Bill is important in that regard, and I welcome its protection of the disabled, of gay people and of other groups. However, it is necessary to be careful about how the Bill addresses religious matters. On the foreign front, the lesson to be learned is how to deal with the middle east. It is easy to be a strident supporter of one side or the other, but surely one role for this country is to be a peacemaker in the middle east.

1.51 pm

John Mann (Bassetlaw) (Lab): I refer the House to my entry in the Register of Members' Financial Interests. In that context, I want to place on record all our thanks for the work of Elliot Conway, who has just moved on to greater and better things, having been for a number of years an effective director of the all-party parliamentary group against anti-Semitism. In the past year, I have also chaired the international parliamentary coalition against anti-Semitism. Yesterday, Italy commenced a comparable inquiry to that held by the House on a cross-party basis three years ago, and Canada has also held a cross-party inquiry throughout this week. The cross-party nature of the work and some of the successes achieved have been demonstrated by today's debate. I trust that all parties will ensure that, whatever decisions are made on budgets, such essential work is red-circled at a minimum, in each and every year of the next Parliament.

I also urge those on the Front Benches to consider how they can assist the excellent work of Beth Shalom, the only bespoke holocaust centre in this country, which has sadly had to make some staff redundant in recent times. Local authorities have been unwilling to pay what I would deem an appropriate charge to participate in such educational activities. Engagement by Government and Opposition with James Smith and the team at that centre would be beneficial. In these times of austerity, it is important that such work is not cut back but expanded. There is a role for temporary Government assistance to keep that good work going at the same strength.

I echo the sentiments and thanks expressed to the Holocaust Educational Trust, the Community Security Trust, Stephen Smith and his team, and the Holocaust Memorial Day Trust committee. I congratulate both sides of the House on the cross-party alliance on the matter during this Parliament. It has been a model for other Parliaments across the world to take forward such work. I want to suggest some other ways in which we can take the work forward.

In 2012, Olympic year, we should do something, whether in connection with Holocaust memorial day or in some other way, to look at the contribution of Britain in 1948, why Britain was chosen to host the Olympics, and how racism and the holocaust link to the history of the Olympics. There is a British angle, not least in relation to holocaust survivors in this country who became Olympians, that is a worthy subject for education. I suggest that to the Government and Opposition parties as an agenda item for the next two years.

Just before the Olympics, the Euro 2012 championship will take place in Poland and Ukraine. I do not have the necessary time to go into some of the issues in eastern Europe and the rewriting of history led by academics in particular—the rebalancing of history, as some of them call it—but it is fundamentally worrying. If possible, on a cross-party basis, we should engage their Parliaments on the issue. That football championship, in which all four home countries aspire to participate if they are successful in qualifying—doubtless some will, not least England—gives an opportunity for such engagement. It is vital that we take that opportunity.

We also need to engage the European Union as an institution in holocaust education. Given some of the progress of the past 10 years, since the initiatives of my hon. Friend the Member for Hendon (Mr. Dismore), backed by others, we have something to sing about. We can do more at the European level. We should engage the European Union, the new European Parliament and Commission, and Britain should take a lead in the Council of Ministers in getting proper resource and thought and more research at a European level and across nations. That will allow holocaust education and the lessons of the holocaust to permeate a wider range of countries. That is our responsibility as British parliamentarians as well as good Europeans, and I recommend that to those on both Front Benches.

On days such as yesterday, we reflect on the past—

1.58 pm

One and a half hours having elapsed since the commencement of proceedings, the motion lapsed (Standing Order No. 24A).

Sitting suspended (Standing Order No. 20).

Leeds City Council Bill

Third Reading

Madam Deputy Speaker (Sylvia Heal): It may be helpful if I draw the attention of the House to the fact that the Leeds City Council Bill and the Reading Borough Council Bill are virtually identical, and I think it will therefore be for the convenience of the House if the Bills are debated together.

3 pm

Mr. Paul Truswell (Pudsey) (Lab): I beg to move, That the Bill be now read the Third time.

I do not intend to detain the House with a very long speech. I hope that even the most assiduous students of the Bill will now be satisfied that it addresses a major abuse of the peddling laws in Leeds, while not affecting the ability of genuine pedlars to continue to ply their trade.

In a previous debate, I gave the example of one of my constituents who ran a stall in the centre of Leeds. He employed staff, had a street trading licence and paid taxes and business rates. His business and staff were nearly driven to the wall by a competitor who abused legislation on peddling by setting up in direct competition. Of course, he was able to do so without paying any of the overheads of my constituent. The Bill is intended to give the authorities in Leeds the opportunity to prevent such abuses from occurring while allowing genuine pedlars who are mobile and can carry their wares around with them to continue to trade unaffected.

3.2 pm

Mr. Christopher Chope (Christchurch) (Con): It is a pleasure to follow the hon. Member for Pudsey (Mr. Truswell), who made a commendably brief speech. The reason why I will be similarly brief is that when Leeds city council realised that I and a number of other Members were concerned about the contents of clause 5, it sought discussions. As a result of those discussions, the clause was amended significantly to the form in which we see it today. That form means that pedlars will be able to continue to act in Leeds city centre provided that they do not have goods anywhere other than immediately about their person. That means that they cannot have goods in a container or, particularly, in a trolley.

When I had my discussions with council officers from both Leeds and Reading, it became apparent that the real mischief that they wanted dealt with was people with large trolleys blocking up the town centre. They showed me photographs, which I looked at, and I thought that they had made a strong case. The current law means that before Bills are brought forward to restrict the rights of pedlars, the Government require a strong case to be made justifying them. I took the view that that case had been made out in Leeds and Reading, so I said that if the required amendments were made—we discussed the detail of those amendments, which are now incorporated in clause 5 of the Leeds Bill and a similar clause of the Reading Bill—I would allow the Bills an easy passage through the House. We have now reached Third Reading, and after the Bills get their Third Reading shortly, they will go to the other place.

I want briefly to set out what I want to happen in the other place because I hope that the Bills will be amended further. I know that pedlars also hope that that will happen. It is appropriate to deal with the Leeds City Council Bill first because Mr. Marks, one of the founding fathers of Marks and Spencer, was originally a pedlar in Leeds. There is an argument about whether he or his father was a pedlar, but in any case, if the father was a pedlar, the son may have been a hawker—the two categories are the same under the Bill. My hon. Friends and I have been keen to ensure that the Bill's ambit and application are reasonable and proportionate.

Clause 4 deals with provision of services. I do not invite the Minister to make a long speech, but I hope that he can explain the interaction between the services directive and clause 4 and the equivalent provision in the Reading Borough Council Bill. There has been much uncertainty after the implementation of the services directive at the end of last year. Although I spoke about the subject in some detail in an earlier debate, a closure motion was unfortunately moved, which meant that the Minister was unable to comment—I am sure that he was itching to do so. I therefore hope that if he comments on nothing else, he deals with that matter because it would be helpful to ventilate the information in the public arena and enable people to have a better understanding of what is happening.

Clause 5 and the equivalent in the Reading Borough Council Bill do not permit trading by pedlars with any wheeled vehicle, not even one that is no greater than 1 cubic metre in capacity. In that respect, the Bill and the Reading measure are different from the Bournemouth Borough Council Bill and the Manchester City Council Bill. Following an opposed Committee hearing, the latter Bills were amended to allow pedlars to have with them a wheeled vehicle no greater than 1 cubic metre in capacity. I know that some pedlars would like a similar amendment to be made in another place to the measure that we are discussing.

Clause 6 deals with seizure. The Bill and the Reading Bill require only

"reasonable grounds for suspecting that a person has committed"

an offence before enabling an officer or a constable to seize goods. I am pleased that the equivalent provisions in the Manchester and Bournemouth Bills will be amended later this afternoon by amendments that I tabled and that have been conceded by the Bills' sponsors to change the necessity for mere "suspecting" to a requirement for "reasonable grounds" for belief. A whole series of amendments were tabled and I hope that, when the Leeds and Reading Bills reach the other place, they will be amended in a similar fashion.

In respect of clause 7, "Seizure of perishable items", the Leeds City Council Bill and the Reading Borough Council Bill are different from the Manchester City Council Bill and the Bournemouth Borough Council Bill. The clause allows seizure of perishable items, which is not allowed under the Manchester and Bournemouth measures. I hope that that aspect of those Bills will be looked at in the other place.

I hope that similar amendments will be made to clause 8 of the Leeds City Council Bill, "Return and disposal of seized items", as are going to be made to the Bournemouth and Manchester Bills.

We then come to clause 10, "Compensation where seizure unlawful". Manchester and Bournemouth are

going to concede that it is reasonable to exclude the provision that means that goods can continue to be held even following acquittal, if there is an appeal—in other words, an appeal for judicial review. I took the view that the measure was rather oppressive and I am pleased that it is the subject of an amendment that will be accepted by Manchester and Bournemouth councils. I hope that the Leeds and Reading provisions will be amended in that respect when they reach the other place.

Probably the most significant concessions to be made later today by Bournemouth and Manchester relate to the fixed penalty regime, which is contained in clauses 11 to 14 in the Leeds City Council Bill and clauses 12 to 15 of the Reading Borough Council Bill. I tabled a lot of amendments to the equivalent provisions in the Bournemouth and Manchester Bills, and I am delighted that their promoters have told me that they intend to accept my proposals, which will result in the removal of all clauses relating to fixed penalties. I hope that similar amendments to remove the fixed penalty regime from the Leeds and Reading measures will be made when they reach the other place.

In clause 16, "Provision of information to authorised officer", the Leeds City Council Bill contains a power that goes beyond those in the Manchester and Bournemouth measures. Because that is a distinct provision of the Reading Borough Council Bill and the Leeds City Council Bill, I hope it will be subject to detailed scrutiny in the other place.

The Leeds City Council Bill and the Reading Borough Council Bill are indeed pretty similar, but there are two differences. The latter deals with touting. The reasons for that have been explained to me by Reading borough council, but because it is a unique provision, I hope it will be the subject of detailed scrutiny when it reaches the other place. The same goes for clause 18 of that Bill, "Powers of community support officers", in relation to fixed penalties.

I think there is going to be quite a lot of work for the other place in respect of the four Bills. They came to the House without having any petitions against them, but I am sure there will be petitions against them in the other place. I hope that as a result, there will be the usual detailed consideration of their contents.

What is so important about this—it is also why I am so pleased that the Leeds and Reading measures are at the top of our agenda today—is that both councils have negotiated with Members of the House who had concerns about the contents of the Bills.

Mr. Humfrey Malins (Woking) (Con): I remember sitting on the Opposed Bill Committee to discuss the Bournemouth Bill some months ago. During the course of that Committee, some of us sought to reach a fair compromise that looked after the interests of genuine pedlars, and from what my hon. Friend is saying, it appears that such a compromise has been reached.

Mr. Chope: I am sure that many genuine pedlars remain concerned about aspects of these two Bills, and some have suggested to me that without the ability to take some of their goods with them in a wheeled trolley or receptacle, even if limited to 1 cubic metre in size, their ability to operate will be significantly reduced. However, I accept that we should concentrate not on reaching the perfect solution, but on trying to find a reasonable compromise.

Dr. Andrew Murrison (Westbury) (Con): It is great that a compromise has been brokered. However, my hon. Friend referred to all the work that was done in the other place. Does he share my concern that there will be a lot of work for this place if some of the 410 local authorities are tempted to bring forward private Bills to deal with their local issues? Does he agree that we must do something to ensure that we have a form of legislation that will be permissive, to allow—

Madam Deputy Speaker: Order. The hon. Gentleman is straying wide. We are now on the Third Reading of these two Bills. Whatever happens in the future will have to be dealt with then.

Mr. Chope: The difficulty of reaching this stage on these Bills has deterred many other councils from bringing forward Bills that have not been thought through. I am sure that ultimately we will need a national solution, because otherwise it will take up an enormous amount of the time of hon. Members. There are other issues that we need to address.

Mr. Edward Leigh (Gainsborough) (Con): There was a recent case of a pedlar who was prosecuted because she had two milk trolleys stuck together. What would be the effect of the Bills on this lady? Would she be able to carry on trading?

Mr. Chope: If she had two milk trolleys stuck together and sought to peddle in the areas covered by these two Bills, she would not be able to claim that she was operating lawfully as a pedlar. If my hon. Friend had seen some of the pictures from the city centres in Leeds and Reading, he would understand why I accepted the amendments. The issue of permissible trolley size can be revisited in the other place, and I am sure that petitioners will attempt to make their lordships take a different view. I thought that the amendments to clause 5 of the Bills was a substantial step forward for pedlars' rights, compared with the highly restrictive regime that was originally included. That is why I accepted the amendments. The price that I have had to pay for doing so, on behalf of the pedlar community, is undertaking not to obstruct further the progress of the Bills through this House. I cannot give an undertaking on behalf of others, but I hope that my hon. Friend will respect that agreement so that these Bills receive a Third Reading. I hope that the reservations that he understandably still has can be resolved in the other place.

Mr. Leigh: So is my hon. Friend telling me that under the Pedlars Act 1871, not only would Mrs. Crofts, the woman who was prosecuted, have had to approach people, but she would have had to be carrying the stuff? Is that right?

Mr. Chope: Yes, she would have had to be carrying the goods on her person. I do not know what the goods were, but she could have had them in a tray, up her sleeves, in her pockets—

Madam Deputy Speaker: Order. I have allowed some latitude, but we are now straying rather wide of the Third Reading of the two Bills.

Mr. Chope: The last thing that I want to do is be led astray by my hon. Friend the Member for Gainsborough (Mr. Leigh). If more such Bills are brought before the House, he will have a chance to make similar points about them. However, for now let me say that I am content that the Bills that we are discussing should receive a Third Reading.

3.20 pm

Philip Davies (Shipley) (Con): I certainly do not intend to detain the House for long, but I want first to congratulate my hon. Friend the Member for Christchurch (Mr. Chope), who has done a sterling job on behalf of pedlars in this country. Whatever one's view happens to be on the merits or otherwise of the Bills that we are discussing, I am sure that everybody would commend him on how he has argued his case and won concessions as a result. I am full of admiration for what he has done.

Because of my regard and respect for my hon. Friend, I will certainly follow what he said about the further progress of the Leeds City Council Bill and the Reading Borough Council Bill. In many respects he is a very reasonable man; in fact, one could argue that on those two Bills he is perhaps far too reasonable a man. I am still concerned about a number of aspects of the Bills, some of which he touched on. He raised an important point about whether clause 4 falls within European directives that have been introduced since the Bills were brought forward. Like him, I await the Minister's response on that.

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): I would be more inclined to give that if I felt that there was some progress being made—as I felt there was a few moments ago—and if that continued.

Philip Davies: I am grateful to the Minister, but I hope that he will allow me to go through one or two other concerns that I happen to have about the Bills. Not only have my concerns been recognised by my hon. Friend the Member for Christchurch in our various debates on the issues, but in some cases they have been recognised by the promoters of these Bills and some of the others that we might come to discuss later.

I want to touch on the issue of fixed penalty notices, which are covered by clauses 11 to 15 of the Leeds City Council Bill. I remain nervous at the prospect of council officers having the power under the Bill to serve fixed penalty notices on people. It is perfectly clear from our debates that the local authorities concerned simply do not want pedlars in their cities. For council officers representing cities that clearly do not want them there under any circumstances to have the power to issue fixed penalty notices without, in my opinion, particularly strong safeguards is dangerous. We also face the ludicrous situation whereby clause 13 allows the council to fix the level of the fixed penalty notice. On the one hand we are giving the council a blank cheque to set the notice at a level that it feels is appropriate, whereas clause 14 pulls back from that and gives the Secretary of State reserve powers to reduce that fixed penalty notice where he considers it to be excessive. Why the Bill says that is beyond me. The Secretary of State must know what level he would consider excessive, so, rather than go through a ridiculous rigmarole whereby a council sets a fixed penalty, only for the Secretary of State to decide that it is excessive, why can we not set the actual amount in the Bill so that we all know where we stand? It seems utterly ludicrous that we cannot do that.

Mr. Chope: My hon. Friend is making a powerful case in pointing out why the provisions relating to fixed penalties in the two Bills are unreasonable, oppressive and disproportionate. The good news is that the concerns relating to the fixed penalty provisions in the Bournemouth Borough Council Bill and the Manchester City Council Bill have been accepted by the promoters of those Bills, albeit late in the day. We can only hope that, when these two Bills get to the other place, their promoters will accept that these provisions should be removed. We could not have done what we did without tabling amendments. Having reached that agreement, however, I was unable to table amendments on Report because I might have been accused of delaying the progress of these two Bills.

Philip Davies: I accept that. I understand my hon. Friend's position on this, but I return to the point I made earlier: I think that he is being far too reasonable about these Bills.

The fixed penalty is supposed to be set at a reasonable level to cover the costs incurred by the local authority in issuing it. Clause 15, however, deals with how a surplus in an authority's accounts may be spent or applied. If a fixed penalty were set at a level that only covered costs, we should not even be talking about a surplus in the accounts. I worry, when I see such provisions in a Bill, where they might lead to. Perhaps the fixed penalties would end up being a money-raising measure for the local authority.

I want to concentrate on clause 4 of the Reading Borough Council Bill, which relates to ticket touting. The Culture, Media and Sport Select Committee, on which I have the privilege to serve, recently carried out an inquiry into ticket touting. I cannot see what a Bill about pedlars has to do with ticket touting.

Mr. Chope: I hesitate to interrupt my hon. Friend, but if he looks at the Bill, he will see that it is clause 11 that deals with ticket touting.

Philip Davies: My hon. Friend is entirely right.

I do not understand what ticket touting has to do with pedlars; these are, in many cases, separate issues. That point was conceded by my hon. Friend the Member for Canterbury (Mr. Brazier) when we debated the Canterbury City Council Bill. Indeed, that Bill's promoters agreed that the inclusion of such a provision was muddying the waters, and they kindly removed the relevant clause. However, the Reading Bill still contains such a clause. I perfectly understand the points that have been made about events such as the Reading festival—I know that that is a big event—but a Bill about pedlars should not be interfering in the wider issue of ticket touting.

As the Select Committee found, the secondary market for the sale of tickets is a perfectly legitimate market; it has never been considered otherwise. No one in this country has ever been taken to court because of it. One court case took place in Australia, and the ticket tout won. The Office of Fair Trading made it clear in its evidence to the Select Committee that the secondary market for tickets works in the best interests of the consumer. It does so because people who buy a ticket for an event that they subsequently cannot attend often

find that they cannot get a refund. The promoters of events often do not make provision for refunds. People who find subsequently that they cannot go to the event are therefore left with a ticket that they cannot sell on, and that they cannot give back to the promoter, who will not refund them. They have no option but to sell it to someone else, to get their money back or even make a profit. That is in the interests of people in Reading, who want to go to the Reading festival but subsequently find that they cannot.

Equally, people who were not sure whether they could go to the Reading festival when the tickets were issued for sale, and therefore did not buy a ticket, but then found that they could go to the event, would be unable, without a secondary market, to exercise their choice—nobody forces them to do it—to pay a perhaps inflated price at a later date.

Mr. Chope: Does my hon. Friend accept that the potency of his argument can be developed in another place, particularly if some of the people engaged in such activities petition against the Bill when it reaches the other place shortly?

Philip Davies: I accept what my hon. Friend says, but we might be in the ridiculous situation—I will happily give way to him if he can convince me otherwise—whereby a secondary market for tickets to the Reading festival, which is of interest to people across the country and perhaps even internationally, is available to people everywhere, including on the internet, except Reading. It seems perverse that the Bill's promoter should want to deny choice to the people of Reading, while allowing people in the rest of the country, and perhaps further afield, the opportunity to exercise such choice. Why should a Bill that is supposed to deal with peddling affect the legitimate secondary market, which works in the best interest of the consumer?

I accept the advice of my hon. Friend that such matters should not be delayed unnecessarily. I hope that the grave concerns that I have raised will be addressed in the other place, because the Bills will be better for the cities and towns concerned if such points are taken heed of. I am grateful to my hon. Friend for extracting the concessions that he has, but I wish that he had managed to extract further concessions.

3.33 pm

Mr. Edward Leigh (Gainsborough) (Con): I for one, I think along with my hon. Friend the Member for Shipley (Mr. Davies), am pleased that the Reading Borough Council Bill provides in clause 15 for the Secretary of State to have reserve powers in respect of the levels of fixed penalties. We look forward shortly to hear the Minister's comments, because we want councils to treat their powers circumspectly and to remember that pedlars often trade on a very small scale. The explanatory memorandum to the Reading Borough Council Bill states that clause 14

"provides that the Council must fix the levels of fixed penalties"—

that is fine; I am sure we can trust Reading borough council to be circumspect. It continues:

"In doing so the council must have regard to the reasonable costs incurred by them in administering the street trading regime under Schedule 4 to the 1982 Act, the costs of enforcing the provisions of Schedule 4 and the administration and enforcement costs under Clause 11."

What worries me is that if we take into account all those costs, the council could argue that the cost of enforcing the regime to deal with pedlars is heavy. I do not want councils who are under pressure regarding their spending to level fixed penalties that will drive these people out of the market.

I have referred to Mrs Crofts, who trades in south Yorkshire and around the country. Although she was peddling in a small way, with two milk floats joined together, when she was sentenced the magistrates took into account that she had to pay a £110,000 confiscation order issued by Swansea Crown court in 2007 for possessing goods with false trademarks. I cannot believe that such a lady could have such property and I can only assume that that fine was a maximum amount. I only mention this case to show that the Secretary of State must be very circumspect in keeping an eye on these borough councils to ensure that they are not imposing too large a fine on these people. This lady was trading from two milk trolleys stuck together and, rather pathetically, she said after the court case that she would continue to trade but would be downsizing. How much more pathetic can you get?

When councils implement clause 14, they must have regard to people like Robert Edwards, who has a licence under the Pedlars Act 1871 and sells his own poetry. Apparently not many people are interested in buying his poetry. In 15 months on the road, he has sold 750 books but most were through established retail bookshops. His best day ever, he has said, was when he sold seven. This chap is hardly a great—

Madam Deputy Speaker: Order. The hon. Gentleman has made his point. Perhaps he would now confine his remarks to the Third Reading of the two Bills.

Mr. Leigh: I am very happy to do so. I just wanted to quote those two examples to try to convince the Minister, who I think will not need any convincing, to reassure us that he will use his reserved powers under clause 15 to ensure that when fines are imposed, they are at a low level so that this traditional activity, which is dying out, will carry on in the country.

3.38 pm

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): The House is aware that, prompted by the number of local authorities seeking these additional powers contained in the two Bills, we are undertaking research to look at the perceptions and applications of the national and local regimes. We are now consulting. The consultation period will come to an end on 12 February and we will publish the Government's response in due course.

In the light of the questions about the service directive, I can say that, in effect, it limits authorisation schemes for service providers so as not unduly to limit cross-border provision of services. It is for local authorities to be able to justify any such authorisation schemes under the terms of the directive and the Department has drawn the attention of local authorities to this.

3.39 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): We all have to take our turn in the Opposition Business team in dealing with these private Bills, which have had a long genesis in terms of getting through the House. As

[Mr. Geoffrey Clifton-Brown]

long ago as 12 June 2008, I argued from the Dispatch Box that we should have a national review of this whole subject, so I am delighted to hear today from the Minister that we will have the results of such a review by the end of February. He then said that he would consider those and in due course we would have a result. Does he think "in due course" is likely to be before the general election or not?

Kevin Brennan: For the sake of clarity, what I said was that it will conclude on 12 February and then in due course the Government will report—"in due course" means exactly that.

Mr. Clifton-Brown: We can conclude from that that "in due course" probably means after the general election, so, with a bit of luck, it will be a Conservative Government who will have to consider these matters. We will do just that; we will see whether this procedure is satisfactory and what we can do on a more national basis.

I was delighted to hear from my hon. Friend the Member for Christchurch (Mr. Chope) that such good progress has been made that he now feels able to support a Third Reading, although I was careful to note what he said about the amount of work that needs to be done in the other place.

Mr. Chope: My hon. Friend used the word "support", but I would prefer to be quoted as saying that I was "allowing progress".

Mr. Clifton-Brown: My hon. Friend speaks clearly for himself, but I do not think he would demur from the second part of my comment, which was that there is still a lot of work to be done in the other place. In "allowing" his support for these Third Readings today, I hope that he will provide every possible assistance to the other place to ensure that these Bills get on to the statute book. I say that because, as the hon. Member for Pudsey (Mr. Truswell) said, his local authority and other authorities have spent a great deal of time and resources in trying to achieve that aim. It is incumbent on both Houses to try to make progress and get the Bills on to the statute book.

My hon. Friend the Member for Christchurch has managed to secure some useful amendments, which I shall discuss briefly: the provision in clause 5 about pedlars having goods about their person does mean that they cannot have vast great floats, which take up space and cause a nuisance; the Minister has made it clear how the interactivity between the services directive and the provision of services by pedlars is supposed to work; we have had a great deal of debate about clause 6 and about the issue of seizure, particularly the seizure of perishable goods, as set out in clauses 7 and 8; and our long debates seem to have produced eminently sensible amendments to clause 10(1)(ii) in respect of goods held on acquittal. They are proportionate and reasonable, they are not oppressive and my hon. Friend has done the promoters of the Bill a favour in securing such amendments. I also agree with him about the apparent inconsistencies in the Bills about the fixed penalties, and it would have been much more sensible to have specified a maximum level of fine in clauses 11 to 14, even if local authorities could then set a level below that. It would be up to them to use their discretion, according to the severity of the problem that they face in their local area, to determine what level of fine to set.

I was initially opposed to the appointment of community support officers—when they were proposed by this Government I thought that they were about getting policing on the cheap—but I must say that this is one of the very few examples of when the Government have introduced something and I have completely changed my mind about it. These officers do a great job of work in their localities and they provide a lot of reassurance for the public by their visibility. The amendments of their powers that my hon. Friend has managed to secure in the Bill in respect of requiring information from those who might have committed an offence is also of benefit.

With those few words, I hope that the House will proceed to support the Third Reading of these two Bills and that we can move on to the other Bills that we have to discuss. I also hope that the other place will give a fair wind to the Bills, so that we can get them on the statute book.

3.44 pm

John Thurso (Caithness, Sutherland and Easter Ross) (LD): It is with considerable interest, if not exactly unalloyed pleasure, that I have followed the proceedings on these Bills over a number of afternoons. Among other things, that has had the unintended consequence that at a recent dinner party I attended I was able to speak at length and depth on the subject of pedlary, much to the dismay of the other guests. Notwithstanding that, the protagonists have clearly arrived at a workable, if not necessarily amicable, truce. In that regard, it would be quite wrong of me or anybody else to stand in the way of this Bill's further progress and I hope that the House accords it a Third Reading.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Reading Borough Council Bill

Bill read the Third time and passed.

Bournemouth Borough Council Bill [*Lords*]

Further consideration of Bill, as amended.

Madam Deputy Speaker (Sylvia Heal): In keeping with the previous debate on these Bills, it will be for the convenience of the House if certain amendments relating to the Manchester City Council Bill [*Lords*] be debated together with those relating to the Bournemouth Borough Council Bill [*Lords*].

Amendment proposed (21 January): 4—*(Mr. Chope.)*

3.46 pm

Question again proposed, That the amendment be made.

Madam Deputy Speaker: With this we are taking amendments 5 and 6 to the Bournemouth Borough Council Bill [*Lords*] and amendments 6, 7 and 8 to the Manchester City Council Bill [*Lords*].

Mr. Christopher Chope (Christchurch) (Con): We were debating this amendment a week ago and I was in the process of summing up the debate. I am pleased to say that since I sat down last week an important conversation has taken place between myself, Bournemouth borough council and Manchester city council about these two Bills. What has effectively come out of that conversation is that Bournemouth borough council and Manchester city council realise that the Bills go far too far and they are prepared to concede a series of significant and substantial amendments and concessions.

Although I know there will still be people, particularly in the pedlar community, who think that those concessions do not go far enough, I have taken the view that as I am in a position of relative weakness—as reflected in the votes on these issues, where I rarely got more than a dozen of my Back-Bench colleagues to support the case I put forward—reaching a compromise that involves significant concessions, which could of course have been made much earlier or even several years ago, is a worthwhile achievement. I commend the flexibility of both Bournemouth borough council and Manchester city council in agreeing to those concessions, even at this late stage. One can imagine that people become rather entrenched and say, "If I give ground now, I shall look like a weakling."

Mr. Edward Leigh (Gainsborough) (Con) *rose—*

Mr. Chope: I think that my hon. Friend thinks I am a weakling for having conceded so much on the previous two Bills.

Mr. Leigh: No, of course I do not think that. I am just a humble spear-carrier in the pedlar campaign and my hon. Friend is the general. I merely want a reassurance that, having obtained these concessions, he can convince us that pedlary as we have understood it since 1871 will carry on. He has unfurled the banner on behalf of a community who had no other support. Before we withdraw from our position, we want the reassurance of our hon. Friend and nobody else.

Mr. Chope: I believe that lawful pedlary has now been recognised across the House as something worth while that should be allowed to continue. The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs is now conducting a consultation on possible changes. My hon. Friend should look at that consultation to see whether he wishes to make a submission to it.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I want to add a sense of reality to what my hon. Friend is saying. The introduction of these Bills was never designed to challenge genuine pedlars, but to put the relationship between genuine pedlars and street traders into perspective. Illegal pedlars were giving a bad name to the genuine pedlars whom my hon. Friend and his entourage have been trying to support, and I want to make it very clear that we had the genuine pedlars in mind when drafting the Bill.

Mr. Chope: I am grateful to my hon. Friend for that intervention. He has referred to what he describes as my "entourage", so perhaps this is the moment for me to thank all those who have assiduously supported these debates over the past months and years. We can now claim that we have been able to concentrate minds and achieve significant concessions.

This is the lead Bill, and I believe that what has come out of our debates is that the Government set up an inquiry, which they were never going to do otherwise. They then went out to consultation, and have now done so again. We are promised that, when the consultation's results are known in due course, there will be a prospect of further, national legislation.

I do not know what will happen with that, but the best thing is that we are going to get a code of guidance. A draft code has been published with the consultation: if that were widely disseminated, it would bring an enormous amount of clarity to the issue, both for pedlars and those who must enforce the law as it stands.

We will come in due course to the amendments that have been accepted. Because of the agreement that has been reached and the concessions that have been made, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Chope: I beg to move amendment 32.

Madam Deputy Speaker: With this, we are taking amendments 33 to 42, 44 to 47, 49 to 55 and 57 to 70 to the Bournemouth Borough Council Bill [*Lords*], and amendments 35, 36 to 45, 47 to 50, 52 to 58 and 60 to 73 to the Manchester City Council Bill [*Lords*].

Mr. Chope: These groups of amendments deal with the powers that the Bills give to authorised officers and police officers to seize goods. Previous private Bills dealing with street trading have granted powers of seizure, but for the first time the Bills as currently drafted allow a power to be exercised not just when there is a reasonable belief that an offence has been committed, but when there is "a reasonable suspicion" that an offence has been committed.

Without going into great detail, a case decided in the House of Lords shows that the meaning of "a reasonable suspicion" effectively means that the person exercising that view has absolute discretion in the matter. A similar power under terrorism legislation is now being used to arrest people. Although I am not going to get into that,

[Mr. Chope]

I am sure that, even in their most concerned moments, my hon. Friends the Members for Bournemouth, East (Mr. Ellwood) and for Bournemouth, West (Sir John Butterfill) would never have wanted to equate unlawful street traders with terrorists.

Mr. Leigh: Does my hon. Friend remember the sus laws that obtained when we were young barristers together? There was a great campaign to remove them because it was felt that they gave the police far too much power to arrest people, often from ethnic minorities, simply on suspicion. Can he assure me that we are in no way creating powers parallel to the old-fashioned sus laws that we swept away in the late 1980s?

Mr. Chope: My hon. Friend makes an excellent point, which is why I tabled the amendments and why I am delighted that amendments 32, 33, 44, 45, 49, 50, 51, 55, which deals with the related subject of the recovery of storage costs, and 69, which deals with the payment of compensation on acquittal, have been accepted by the Bill's promoters. Those amendments are an important package that mean there will be less reason for pedlars and street traders to think they are an oppressed minority against which prejudiced people can exercise draconian powers. My hon. Friend is quite right to remind us of the old sus laws. If people, on mere grounds of suspicion, arrest others or take away their goods, it creates an unpleasant atmosphere, which is why I am enthusiastic about this group of amendments and why I am delighted that at this late stage Bournemouth and, indeed, Manchester are prepared to accept my proposals.

Mr. Ellwood: I do not wish to detain the House any longer than is necessary. I am grateful to my hon. Friend for whittling the 81 amendments he introduced last week down to a mere 14, which he and I are both happy to add to the Bill. For the record, may I confirm that they include amendments 32, 33, 44, 45, 49, 50, 51, 55 and 69? With that, I shall conclude, as I would like to make progress so that we can clear this final hurdle.

Tony Lloyd (Manchester, Central) (Lab): The group of amendments on the Bournemouth Borough Council Bill parallels a similar group of amendments to the Manchester City Council Bill, which we shall discuss later. In this common debate, however, it would probably be helpful if I put on the record, as the hon. Member for Bournemouth, East (Mr. Ellwood) has done for the Bournemouth Borough Council Bill, the fact that the amendments the hon. Member for Christchurch (Mr. Chope) has tabled to the Manchester City Council Bill are acceptable to the city of Manchester.

It may be helpful for the hon. Gentleman's future career as the champion—indeed, the general—of the pedlars campaign if I tell him that Manchester is not necessarily happy with the amendments. He has gained concessions from the city of Manchester—and, I think, from the town of Bournemouth—through parliamentary exchanges, because that is how the business of the House is conducted and how the legislation of the nation is made: in the spirit of seeking acceptable compromises. It is not necessarily about allowing anyone to think they have got what they want, but about allowing us all to think that we can make progress in controlling the activities of non-legitimate pedlars, while making sure, hopefully, that there is space for legitimate pedlars to trade.

The hon. Gentleman can put in his election manifesto the fact that Government Members congratulated him on his campaign. He has certainly achieved something in securing amendments to the Bills. With that, may I, too, say that I am happy to support his amendments to the Manchester City Council Bill?

Mr. Chope: I shall respond briefly to the generous comments of hon. Members. It is a pity that we have had to deal with this in such a formal way.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am going to ask my hon. Friend a question that I was going to ask the hon. Member for Manchester, Central (Tony Lloyd). Why, considering that so many hours have been spent on debate in the House, does my hon. Friend think it has taken so long to secure basic, sensible concessions? If they had been granted many months, if not years, ago, the Bills would be on the statute book by now. Does he think there are any lessons to be learned for authorities considering similar Bills with similar amendments?

Mr. Chope: The lessons that Leeds and Reading learned when they introduced their Bills was that if a reasonable concession could be made to enable them to make progress, it was probably sensible to make it. It is a pity that the two Bills we are considering were introduced in the other place, and were then subject to quite a lot of comment there. They were the subject of petitions in the House, and proceeded to an opposed Bill Committee. That Committee imposed a number of amendments on clause 5 which, although they are far from perfect, we discussed last Thursday. That process cost time and money—leading counsel was engaged. It would have been much better had there been some forum in which we could have tried to find a way through.

"Better late than never" is a good expression. We are where we are, but as I said to a wider audience on the radio programme last week, somebody who is representing a minority opinion in the House has relatively little ability to influence things, other than by appealing for reason and using the weapon of delay. I am grateful to my hon. Friends for facilitating the concentrating of minds by making it clear that we were prepared to deploy the weapon of parliamentary delay.

4 pm

Mr. Leigh: My hon. Friend makes an important constitutional point. Better Bills are emerging because it is still possible for private Members to delay Bills and have some influence. That does not happen with Government Bills at all. It happens in the United States Senate, for instance, which I have been reading about—

Madam Deputy Speaker: Order. The hon. Gentleman knows he is straying wide of the Bill. I therefore ask Mr. Christopher Chope to conclude his remarks.

Mr. Chope: I am grateful to my hon. Friend the Member for Gainsborough (Mr. Leigh) for his contribution, however wide-ranging it might be.

Peace has broken out. Everybody recognises there is no point in being cussed and intransigent. It was with sadness that I read the obituary of our late hon. Friend Robin Maxwell-Hyslop, which made it clear that he took cussedness to an extreme, but as a result of that, he was able to achieve change in the House that would not otherwise have been possible. He knew the procedures of the House inside out. My recommendation to anybody who enters the House after the next general election is that the first thing they should do is concentrate on procedure. Then they will be ably qualified as legislators in due course.

Amendment 32 agreed to.

Amendments made: 33, 44, 45, 49 to 51, 55 and 69.—*(Mr. Chope.)*

Mr. Chope: I beg to move amendment 75.

Madam Deputy Speaker: With this we may discuss amendments 76 to 78, 71 to 73 and 79 to 81.

Mr. Chope: Amendment 75 would remove clause 4. The other amendments relate to clauses 10 to 14. Some would remove all those clauses in toto, and some are more modest, aiming to taking out the most toxic part of those clauses. I am delighted that, in an e-mail sent to me first thing this morning, the promoters of the two Bills expressed their agreement to amendments 75, 77, 78, 80 and 81, which would, in effect, remove clauses 10 to 14 from the Bournemouth Borough Council Bill and the equivalent clauses from the Manchester City Council Bill. Those clauses cover three full pages of the Bill's 10 as printed. To remove three pages at one stroke represents pretty good progress as far as I am concerned, so I am very grateful to the Bills' sponsors, my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) and the hon. Member for Manchester, Central (Tony Lloyd), for conceding those amendments, which will result in a better and fairer Bill.

I am sure that it has not escaped your notice, Madam Deputy Speaker, that the consequence of removing clauses 10 to 14 is that the references to fixed penalties in clauses 7 and 9 will need to be amended in due course with technical and consequential amendments. We do not have such amendments on the amendment paper today, and it is not appropriate to try to move manuscript amendments, but I understand that it will be possible to make those consequential amendments when the Bills are considered in the other place.

The promoters of the Bill have also made it clear to me that, in clarifying the contents of the Bill, those amendments in the other place will include the amendment that I previously sought to make to clause 5 by adding to "another person" the phrase "trading with the authority of a pedlars' certificate", so that the provision is clearer. Everybody agrees that that is the intention of the clause, but it will be better when, in the House of Lords, it is technically amended to make that objective clear.

We have made enormous progress over a short space of time—since the early hours of this morning when my hard-working secretary said at five minutes past 8 that she had been in receipt of an e-mail. Since then I have been in discussions about the implications of the amendments. I have spoken to a significant pedlar, the agents for the promoters, my hon. Friend the Member for Bournemouth, East and the hon. Member for Manchester, Central, and I must put on the record that, notwithstanding these amendments, the pedlar to whom I spoke still feels that there is a venality in the Bills. However, I am sure that he would be the first to concede that we are making progress by removing these clauses.

Martin Salter (Reading, West) (Lab): Will the hon. Gentleman give way?

Mr. Chope: I am delighted to see the hon. Gentleman in his place, and I am sorry that he was not here earlier for the Reading Borough Council Bill. However, I understand that a significant funeral service took place today in Reading, and that is why my hon. Friend the Member for Reading, East (Mr. Wilson), from the other half of Reading, could not be present. I do not know whether the hon. Gentleman was at the same event, but I am happy to give way to him.

Martin Salter: I can confirm that there was a tragic funeral, which both I and the hon. Member for Reading, East (Mr. Wilson) had to go to. I am delighted that the Reading Borough Council Bill's passage has been eased and that an accommodation has been found, but many of us have spent an inordinate amount of our lives—which we will not get back again—on the objections of the hon. Member for Christchurch (Mr. Chope). He appears to base a lot of what he says on a conversation with a single significant pedlar, so will he confirm the communications that he has had with the pedlar community as a whole? I am confused as to why we have had to spend so much time on these measures.

Mr. Chope: The significant pedlar to whom I spoke today is the pedlar who petitioned against these two Bills, so I hope that the hon. Gentleman will recognise that I got my priorities right in speaking to that person first. However, I have actually spoken to quite a lot of pedlars. I shall not embarrass myself or the House by reading out the glowing tributes that I have received from various pedlars for the efforts that I have made on their behalf, but I must assure the hon. Gentleman that I have quite a lot of contacts in the pedlar community.

Indeed, one of the good things that has come out of this whole series of Bills is that pedlars are now much better organised. They have their own website—I think it is called pedlarsinfo.co.uk. That means that the pedlar community is now able to keep in contact with what is happening. *[Interruption.]* The hon. Gentleman is complaining that I am taking too long to respond to his intervention, for which I apologise. Of course, he will know that some pedlars have watches all the way up their arm and can offer them for sale.

Madam Deputy Speaker: Order. The hon. Gentleman was helped by the fact that I was somewhat distracted; he has therefore been given more leeway than he would otherwise have had. I am sure that he will now wish to concentrate his remarks on the group of amendments under consideration.

Mr. Chope: I am most grateful to you, Madam Deputy Speaker, for your customary indulgence. I will say no more than I have already said. I commend this major group of amendments to the House.

Amendment 75 agreed to.

Amendments Made: 77, 78, 80 and 81—(Mr. Chope)

Third Reading

4.11 pm

Mr. Ellwood: I beg to move, That the Bill be now read the Third time.

I am surprised to be standing here to open this Third Reading debate on the Bournemouth Borough Council Bill, given that it has taken longer than the gestation period of an elephant to get to this point, but I am delighted that we have finally been able to reach a series of compromises with my hon. Friend the Member for Christchurch (Mr. Chope) in ensuring that we can better regulate our town centres.

As we have heard, this is one of a series of Bills that have come through the House. We have already debated the Reading, Nottingham and Canterbury Bills, Manchester is coming up, and ahead of us are Medway, Leicester, London and Liverpool, among others. All those borough and city councils have sought the leave of this place in order to create the legislation that they believe is required better to regulate town centres. Although some amendments have been made, I hope that the Government will recognise that there is a sense of urgency for national legislation. We need to ensure that more time is not wasted, with councils spending huge sums of money to gain the attention of this House in order to create similar legislation. I am afraid that, until that national legislation comes along, I will support any individual council wishing better to regulate its town centre.

Martin Salter: Does the hon. Gentleman realise that his council tax payers, like mine in Reading, welcome the legislation but question how much of their money has had to be spent on something that could have been resolved very easily by the Government if they had put a Bill before the House? This is not an ideal way to go about solving a comparatively simple problem, is it?

Mr. Ellwood: I firmly agree with the hon. Gentleman. There are questions to be raised on a number of levels about how private Members' Bills of this nature—[HON. MEMBERS: "Private Bills."] Well, it is the private Members' Bill process—

Madam Deputy Speaker: Order. This is a private Bill rather than a private Member's Bill. I hope, in any case, that the hon. Gentleman will confine his remarks to its Third Reading.

Mr. Ellwood: I am grateful for your guidance, Madam Deputy Speaker. That is certainly the case.

I hope that the Minister will give us a little more detail about where things will go in future, rather than in due course, which is rather woolly terminology. I am pleased that legislation first written in 1871, in the shape of the Pedlars Act, is being brought up to date, and that the people of Bournemouth will be able to benefit from that. A week ago, I was somewhat despondent, faced with 81 amendments that would have significantly changed the Bill to the point where it would have been worthless. They would have introduced a stationary capability for pedlars, carved up Bournemouth and restricted the times when the Bill would be allowed to operate. I am grateful to my hon. Friend for making concessions on those points, and I hope that he understands that there have been concessions on the other side as well, which have allowed us to get to where we are today.

Without further delay, I move that the Third Reading be concluded, and look forward to the Bill's becoming an Act of Parliament.

4.15 pm

Mr. Clifton-Brown: I would like to say two or three words. I am not sure who will celebrate the most this evening: my hon. Friend the Member for Christchurch (Mr. Chope) and the peddling community, or my hon. Friend the Member for Bournemouth, East (Mr. Ellwood), his council leader, Councillor Stephen McLoughlin and his council. At long last, in their struggle to get this Bill, they appear to have passed at least one major milestone.

I wish the Bill a fair wind. I hope that the other place will deal with it expeditiously and that we can get it on to the statute book before the general election.

4.16 pm

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I suspect that the full extent of any rhetorical exuberance in relation to these Bills was already expressed on previous Third Readings, and my view on them remains unchanged. I wish them Godspeed.

4.16 pm

Mr. Chope: I am grateful to my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) for what he said. The Bournemouth and Manchester Bills will get their Third Readings, and will then go to the other place. I hope that those in the other place will find time for the technical consideration of the large number of amendments we have passed today, in addition to the amendment made to clause 5 by the Opposed Private Bill Committee.

I remain concerned about some of the detail in clause 5. I made comments about it, and my hon. Friend the Member for Gainsborough (Mr. Leigh) was supportive of those concerns last Thursday. Those comments remain valid, and I will have to see what happens in practice. Obviously, the amendments reflecting those concerns were voted down, and my amendment 74, which would have incorporated the best parts of the Reading Borough Council Bill and the Leeds City Council Bill, albeit modified slightly, was not acceptable to my hon. Friend the Member for Bournemouth, East, to the hon. Member for Manchester, Central (Tony Lloyd), or to their respective councils. I cannot do anything about that; all I can do is argue from a position of numerical weakness, but I have the arguments on my side. We have reached a compromise.

Philip Davies: It is a red letter day for my hon. Friend, given the amendments made. I appreciate that the Bills are not necessarily ideal, as he says, but I hope that he accepts that an honourable compromise has been reached, and that the Bills are now sufficiently amended to be worthy of some support.

Mr. Chope: Exactly; my hon. Friend is absolutely right. If I did not think that the compromise were right, I would not have accepted it. Once at the stage of forcing negotiation, it would be a foolish person who turned away from achieving a successful outcome, which is what we have achieved over the past few hours. I hope that the passage of the Bill deals with the consequences about which I was fearful: an adverse impact on the borough of Christchurch caused by a move of the "problem" from Bournemouth. I hope that the assurances

of my hon. Friend the Member for Bournemouth, East that that will not happen prove correct in practice, and that the burghers of Bournemouth think that they have had good value for money in investing in this exercise. I know that the process has been long and probably expensive for them, but I will not comment any further on that. As my hon. Friend rightly said, until we get a national framework there will be a dilemma for councils as to whether they wish to spend scarce council tax payers' resources on such an exercise or whether they believe that the problem is not worth the cost of the remedy. That is the view that a lot of councils are taking. The councils in question have not taken that view, and one must respect them for that.

I support Third Reading and hope that the Bill reaches the statute book before the election, although of course it could have been carried over beyond the election under the private Bill procedure. I am not sure that everybody in Bournemouth understood that. Indeed, there was a bit in the local paper last week suggesting that I had talked out the Bill, but I could not do that under private Bill procedure. There was a three-hour slot and it came to an end. I happened to be on my feet at the end, but I was not talking it out. In that respect it is a very different procedure, as you and my hon. Friend know, Madam Deputy Speaker—

Madam Deputy Speaker: Order. I think that the hon. Gentleman has explained to the readers of his local paper what has happened. Is he about to conclude his remarks?

Mr. Chope: I am indeed. Let it not be said or thought that I am in any way critical of the *Daily Echo*, which is the most outstanding newspaper in the country. However, sometimes the pressure on space means that there is not room for the full argument to be—

Madam Deputy Speaker: Order. There is not only pressure on space but sometimes pressure on time for business. We have more business to continue with. Is the hon. Gentleman concluding?

Mr. Chope: I agree with you absolutely, Madam Deputy Speaker, and I think it is almost a miracle that although we have a three-hour slot for this business this afternoon, it looks as though we will finish within one and a half hours.

Question put and agreed to.

Bill accordingly read the Third time and passed, with amendments.

Manchester City Council Bill *[Lords]*

Consideration of Bill, as amended.

Amendments made: 35, 36, 47, 48, 52 to 54, 58, 72, 77, 79, 80, 82 and 83.—*(Mr. Chope).*

Third Reading

4.23 pm

Tony Lloyd (Manchester, Central) (Lab): I beg to move, that the Bill be now read the Third time.

I have been quite restrained about the Bills in recent weeks, even though the hon. Member for Christchurch (Mr. Chope) has occasionally asked me to explain certain positions. However, I would like to get one thing on record, which relates to a discussion that took place last week about whether the boundaries in the Bill should be within a one-mile radius of Albert square. I appreciate that the hon. Gentleman expressed the caveat that he did not know so much about the geography of Manchester. The downside was that such boundaries would take in a considerable chunk of the city of Salford. I therefore hope, even at this late stage, that the hon. Gentleman will understand why I was reluctant to accept the relevant amendment as drafted.

The process has been interesting and important and an example of Parliament doing its job, but I think all hon. Members would accept that it is not the right way to do a job because it does not lead to logical debate. As the hon. Member for Christchurch said earlier, it allows minorities to use the power possibly of reason, and certainly of time, to block progress. That concentrates minds on bringing about compromise, particularly so late in the parliamentary cycle, when we know that we are running out of sitting hours. I do not criticise those who participated—I do not believe that they are right, but I do not criticise them for using the power; I have done the same under different circumstances—but it is not the right way to pass legislation rationally and constructively. It probably serves the interests of neither the citizens of Bournemouth and Manchester, nor pedlars nationally or locally.

I join those who have said to my hon. Friend the Minister, who I think is sympathetic to the plea, that we need a national framework to deal with such measures in future. If such a framework were introduced on a reasonable time scale, it would probably lead to the repeal of the six Bills on which we have spent so many hours in recent months. That would be paradoxical but the right way forward.

A genuine problem needs to be addressed. I assure Conservative Members that I do not mean that pedlars should be suppressed. People have always accepted the role of legitimate pedlars. They add variety, colour and flavour to our national way of life. The legitimate pedlar can appear to our benefit in many different circumstances. However, I hope that Conservative Members accept that there have been problems in my city and other places with the illegitimate abuse of the pedlar's licence, sometimes through unfair competition to legitimate traders, who pay a bigger overhead cost and have a greater sense of responsibility to the local community, and sometimes through those who simply trade at unacceptable levels. The Bill tries to deal with that.

[Tony Lloyd]

Compromises have been reached. As I said to the hon. Member for Christchurch, he has got significant concessions. He can go back and tell those to whom he has spoken that the concessions are real and were not willingly given. They were given to allow the Bill to make progress. We still think that we have a workable Bill; nevertheless, it is not the measure that Manchester wanted. There is, therefore, honour on all sides.

In response to the hon. Member for Cotswold (Mr. Clifton-Brown), I say that we have the Bill and we will make it work, but it is not the Bill that we wanted. However, that's life, and life does not guarantee to give us everything we want.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The procedure for the Bills has been interesting, but I agree with the hon. Gentleman. I first called for a national review of the subject on 12 June 2008, which the Government conceded and have now announced. Unfortunately, we do not think that such consideration will happen before the general election, and that is a pity. However, does he agree that some matters have not been aired by the procedure—for example, granting a pedlar's certificate and the need for a photographic pass so that people in any area can see that a genuine pedlar's certificate has been granted by another police force? Perhaps those are minor matters, but does he concede the need to examine the whole issue on a national basis?

Tony Lloyd: I agree. I think I can probably say on behalf of my hon. Friend the Minister that the incoming Labour Government after the election will want to make genuine progress on the matter. I look forward to the hon. Gentleman's playing his role as loyal Opposition spokesperson in helping us with that process. That is right and proper. In that sense, he has my full support for his continued role and relevance on the Opposition Benches in making national legislation work properly.

However, the hon. Gentleman is right that we need that national framework and to have a debate that lets us look across the board at the fine-tuning that will make it optimal. I must add one note of caution that Opposition Members ought to take on board: circumstances vary between local authority areas, which is why the Manchester City Council Bill is not exactly the same as the other Bills that have been discussed today. It is important to recognise that any national framework will be just that and not a straitjacket, because we need to allow for that variation in local conditions and local needs.

The hon. Member for Christchurch sought commitments from the hon. Member for Bournemouth, East (Mr. Ellwood) that there would not be an influx of pedlars into Christchurch from Bournemouth as a result of the Bournemouth Borough Council Bill. I reassure him that there is almost no possibility that there will be a displacement from Manchester to Christchurch because of the Manchester City Council Bill. I hope that with that reassurance, he will be happy to ensure a speedy Third Reading and that it will be legislation not too far in future.

4.31 pm

Mr. Christopher Chope (Christchurch) (Con): I thank the hon. Member for Manchester, Central (Tony Lloyd) for the good-humoured way in which he has dealt with these proceedings. I visited Manchester during the Conservative party conference and stayed in Salford, within easy walking distance of the conference centre, so I was aware that part of Salford was within one mile of Albert square. On a proper reading of the Bill, the hon. Gentleman would recognise that the provisions apply only to the city of Manchester, so they would not apply to the area outside the city but within the one-mile radius. That is my defence on that point.

The Minister has said a number of times this afternoon that the Government will respond in due course to the consultation. I simply want to place it on the record that paragraph 20 on page 33 of the Government's consultation, which was issued in November, states:

> "The results of this consultation exercise, including a summary of the views expressed, and the Government's response will be published no more than three months after the close of the exercise."

The close of the exercise is imminent—the beginning of next month. It continues:

> "The results may be viewed on the BIS consultations home page".

Paragraph 121 states:

> "Subject to the response to this consultation, it is intended to publish a second consultation outlining the way forward in Spring 2010, including a full impact assessment on the costs and benefits of the Government's preferred options and possibly identifying suitable legislative vehicles."

As a result of these debates and the consideration of these Bills, there is now a momentum for change and for the introduction of a national legislative framework. Those of us who think that that is a major achievement resulting from the passage of the Bills should not allow ourselves to be discouraged by the expression "in due course".

4.33 pm

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): I rise hesitantly for a number of reasons, not least because when I did not speak last week, I received more congratulations than I ever have on any actual contribution I have made in the House.

The Government have noted carefully the reports of the debates on the Manchester City Council Bill and the other Bills. It is clear from what has been said and what we have learned that local authorities face difficulties because of the unlawful activities of those who seek to trade in restricted areas without street-trader licences. There is little doubt that in some areas, unlawful traders adversely affect the livelihood of licensed street traders and certified pedlars acting in accordance with the Pedlars Act 1881, and other retailers and consumers, so we understand the desire of local authorities to bolster their enforcement powers.

As I mentioned, the House will be aware that as a result, the Government are undertaking research. That will be concluded by 12 February and we will respond in due course. Three months from 12 February would be 12 May, which is well this side of a potential general election, as I am sure the House will acknowledge. We will do as outlined in the consultation document.

Mr. Tobias Ellwood (Bournemouth, East) (Con): My hon. Friend the Member for Christchurch (Mr. Chope) mentioned momentum, and there is now a sense of momentum, as well as a degree of expertise. When Her

Majesty the Queen finally signs the Acts, she will note that these Bills started in January 2007, so they have taken almost three years. She might be inclined to wonder what on earth we have been doing all that time. I therefore encourage the Minister not to sit on the phrase "in due course" but to give us a clearer timetable, especially as there is an appetite to see this concluded.

Kevin Brennan: I would not dare to speculate on what Her Majesty might think on any subject. The process that we have gone through is the proper process and we have followed the proper procedures of the House for dealing with private legislation—not private Member's legislation, as one hon. Member mentioned earlier, which is a completely different animal.

Another point that has been raised relates to the services directive and whether it affects street entertainers. I can confirm that the Government do not accept that it does. The Licensing Act 2003 regulates street entertainment that takes place in front of the public once a local authority licence has been obtained. Street entertainers do not rely on pedlar's certificates and should not be affected by changes linked to the implementation of the services directive. I say that as someone who has engaged in busking on occasion, and who has a next-door neighbour who is a street entertainer and would not forgive us if we allowed anything that infringed on his rights.

In conclusion and with your indulgence, Mr. Deputy Speaker, I wish to pay tribute to my neighbour, Francis Maxey, who has just lost his wife, Kate Hunter, who was a great campaigner on all sorts of issues and I am sure that she would never have allowed us to do something like that either.

Question put and agreed to.

Bill accordingly read the Third time and passed, with amendments.

Andrew Miller (Ellesmere Port and Neston) (Lab): On a point of order, Mr. Deputy Speaker. Many of us have sat through many hours of debates on these private Bills. Some years ago, I also had the privilege of chairing what was probably the shortest Opposed Bill Committee on record, although I have not noticed an entry to that effect in *Wisden*. In 2010, this process is not well understood by the public, and nor is it fit for purpose. Is it not time that the House considered establishing a Speaker's conference to consider whether a better way might be found to deal with such business?

Mr. Deputy Speaker (Sir Alan Haselhurst): I am not sure that I would make a distinction between private and other legislation in terms of the public's understanding. We would all hope, as Members of Parliament, that we were able to communicate to our constituents successfully what we do here. However, it is open to the hon. Gentleman to pursue the issue of the ways in which private legislation might be considered in the future. One's experience of it may vary according to the measure in question, but the House has had a remarkable record of disposing of such Bills, even if sometimes that happens more slowly. It depends on the degree of contention involved. The hon. Gentleman has put his point on the record, but he may wish to write a letter to Mr. Speaker to pursue his suggestion.

UK Arrest Warrants (Alleged War Crimes)

Motion made, and Question proposed, That this House do now adjourn.—*(Mark Tami.)*

4.39 pm

Mr. David Winnick (Walsall, North) (Lab): I am pleased to have this opportunity to raise the subject of initiating private prosecutions. The purpose of my debate is to urge that the right of private individuals, including lawyers, to seek arrest warrants for those suspected of war crimes, including those who are resident abroad but who intend to travel to Britain for various reasons, should be retained. The position now is that if a warrant is agreed to by the court, no prosecution can commence without the assent of the Attorney-General, as my hon. and learned Friend the Solicitor-General knows so well. Presumably the Attorney-General would take into account the advice of the Director of Public Prosecutions, among a number of factors.

Senior Ministers have indicated that the right of private individuals to start a process to deal with alleged war crimes could change, hence the reason for this debate in the first place. As will be seen, I would be strongly opposed to any such change. It would also be fair to say that Ministers have come under a good deal of pressure from those on the Opposition Front Bench to change the existing law. The case of the former Israeli Foreign Minister has been put forward by Ministers and shadow Ministers as a reason why a change in the law on private prosecutions for alleged war crimes should be made. In December last year, Westminster magistrates court issued an arrest warrant for Tzipi Livni, the former Israeli Foreign Minister and currently the leader of the main opposition party in Israel. She cancelled her intended visit; hence the warrant was withdrawn.

In practice, it is the most senior district judges at Westminster magistrates court who hear applications where war crimes are alleged and it is they who have to decide them accordingly. I have mentioned Westminster magistrates court because, without any disrespect to any of the justices of the peace up and down the country, it would be wrong to come to the view that such matters are dealt with by magistrates in local courts in the usual way. Rather, it is decided in the main at Westminster magistrates court, where senior district judges hear applications accordingly. They have to decide whether the high threshold of evidence, liability and jurisdiction has been met. Moreover, they have to be satisfied that no immunity applies. Anyone currently holding ministerial office would not be subject to any such application, so if the person I have mentioned was the current Foreign Minister—or indeed any Minister—in the Israeli Government, the recent case would not have arisen.

It needs to be emphasised that there is no abuse of the procedure in this country. There is no question of arrest warrants being agreed to automatically. However, the impression given, albeit not by Ministers, is that it is relatively easy for someone who might have a grudge against a person coming to this country from abroad, who is alleged to have committed war crimes, to go to a magistrates court and, lo and behold, an arrest warrant is duly issued. That is not the case; indeed, in practice it could not be more different. Strong evidence is required.

[Mr. David Winnick]

I have spoken about those intending to come to this country from abroad, but where the suspect is already in Britain, which is the situation in many cases, it is important for the process to start as quickly as possible. If someone is here, illegally or otherwise, and there is a strong suspicion that that person has allegedly been involved in war crimes—this has nothing to do with their formerly holding ministerial office—the danger is that, if there is no private prosecution, that person will flee the country as soon as possible, knowing that they are likely to be arrested. It obviously takes time for the police and the prosecution authorities to gather the evidence if they decide to go ahead with a warrant, but there is a strong protection available to the victims of alleged war crimes in the sense that they can try, through indirect means, to bring about the issue of an arrest warrant for those allegedly responsible for those war crimes.

Under the 1949 Geneva conventions and protocols, British courts have universal jurisdiction over those who are alleged to have been involved, directly or indirectly, in war crimes. Those crimes can involve the extensive destruction and appropriation of property not justified by military necessity, and unlawfully, wantonly and wilfully attacking civilians.

The former Israeli Minister was in office at the time of the Israeli military action against Gaza, and allegations of the most serious nature have been made, because of the manner in which the Israeli action was conducted and the fact that the person in question held such a senior ministerial position. The operation that Israel conducted was known as Operation Cast Lead, and it has been the subject of a good deal of controversy. Indeed, I took part in a debate on these matters in the House last January in which, almost without exception, Members on both sides condemned the way in which Israel had conducted that military operation against Gaza.

It also needs to be said, in relation to the former Israeli Foreign Minister, that the Goldstone report—the result of a fact-finding mission authorised by the United Nations human rights commission—concluded that much of what Israel had done in the military operation in Gaza was disproportionate. The report said that some of the bombings and killings

"could not on any basis be justified on military grounds",

and that Israel had employed a policy that involved

"the direct targeting and arbitrary killing of Palestinian civilians".

So it is not surprising, given the allegations and the findings in the Goldstone report, that the judges in Westminster magistrates court decided to issue an arrest warrant.

I hope that the Government—and, for that matter, the Opposition—would hesitate a good deal before taking away the right of private individuals to seek to persuade the courts to issue an arrest warrant for war crimes. It would be unfortunate and retrogressive to do that. Moreover, I understand that primary legislation would be required to change the existing law. I am sure that the Solicitor-General will be able to comment on that. Do we want to send out a message that we do not take seriously the Geneva conventions and our courts' jurisdiction over war crimes? Time and again, we in the House of Commons have rightly condemned war crimes, atrocities and the targeting of civilians, all of which are outlawed under international law. It seems strange that we should somehow change the law—I hope that will not be the position—because it has been embarrassing for a former Israeli Minister.

Another argument has been put forward, perhaps as the main reason, for changing the law: that it will undermine the peace process if it is not possible for the person I have mentioned to come to this country. If she came, of course, no prosecution could take place without the consent of the Attorney-General. However, I find it very difficult to accept that the peace process, of which there is not much evidence unfortunately, is largely dependent on a former Israeli Foreign Minister, currently leader of her party, coming to Britain.

Jeremy Corbyn (Islington, North) (Lab): I am pleased that my hon. Friend has secured the debate and that it has a reasonable time to run. However, does he accept that there is a problem in that the suggestion of changing the rules on universal jurisdiction arrest warrants moves the matter back into the political arena rather than away from it, which has been the general thrust of the Government legal strategy over the past few years, with the establishment of the Supreme Court and all that goes with it?

Mr. Winnick: My hon. Friend makes a strong point. A Government should not intervene in such a way. As he knows, and as I have mentioned more than once, we should also bear in mind that whether a prosecution takes place depends on the Attorney-General. I hope that the Solicitor General's response will satisfy me and the House that the law will remain as it is, but that it is in the overall interest of Britain, and of other countries, including Israel, not to take any action that could undermine our position in bringing, or trying to bring, to justice, those who might have been involved, directly or indirectly, in war crimes. That is an important matter, and I look forward to her reply.

4.52 pm

Barry Gardiner (Brent, North) (Lab): I expected not to make a speech this afternoon, but simply an intervention. I often agree wholeheartedly with many things that my hon. Friend says in the House, and I anticipated doing so on this occasion, but I fear that that is not to be the case. It concerns me greatly that, at many points, his argument relied on the fact that, ultimately, even though an arrest warrant might have been issued, a prosecution would depend on the Attorney-General. That is a dishonest argument, because it suggests that there must be a strong case—I think "strong" was the word he used—with strong evidence, as well as jurisdiction, to secure the agreement of a magistrate to issue the arrest warrant in the first place. My understanding is that there must be a prima facie case.

My hon. Friend's argument relies on a discrepancy between a prima facie case being heard by a magistrate and reliance on his confidence—or on the assertion that in the case under discussion one could have been confident—that no prosecution would be continued with. That is an intellectually dishonest argument, because it says that someone should be allowed to apply for a warrant on a prima facie case and to abuse the law

simply to embarrass a political figure, without the serious intent of believing that a prosecution could follow. That one should continue to allow that, secure in the knowledge that a prosecution would not follow, is not a straightforward position and my hon. Friend is normally a very straightforward thinker on these matters.

Mr. Winnick: I do not want to debate the issues with my hon. Friend because of the time, but the normal procedure is that the Speaker or the Deputy Speaker is asked whether a Member who wants to speak has my permission to intervene in an Adjournment debate. I do not object in any way but I hope that time is not being taken from the Minister.

Mr. Deputy Speaker: Order. The rule or custom to which the hon. Gentleman has just referred applies when the debate is limited to half an hour. If we have more time than that—we have considerably more—the rules do not apply and anyone may take part in the debate.

Barry Gardiner: I am grateful, Mr. Deputy Speaker, and that was my understanding in participating in the debate, which I believe can run until 6 pm, although I trust that it will not.

This is a difficult and sensitive issue and I agree with my hon. Friend that we should not do anything to stop war crimes being taken seriously and to stop prosecutions for war crimes being brought within this country. However, the serious issue is this: the law is there to be used, not abused. Unusually, in this case it has been abused, and that has allowed for the possibility of further abuses in the future. That could prejudice the proper workings of the Foreign Office and the Government in carrying out proper debates with those who are not subject to diplomatic immunity, as the member of the Israeli Government might have been on this occasion.

Jeremy Corbyn: I am not quite following my hon. Friend's argument. Clearly there must have been some evidence put before the district judge that Ms Livni would be subject to an arrest warrant on the grounds of human rights law; otherwise the district judge would not have given the arrest warrant. He or she must have examined the evidence and felt that there was enough. If it is good enough for a judge to grant an arrest warrant, surely it is up to us to look at a legal process rather than saying that this might upset diplomatic relations, therefore we must change the law.

Barry Gardiner: I am grateful for the opportunity to try to further explain the position that I am putting to my hon. Friend. In order to secure an arrest warrant there has to be no more than a prima facie case. That may be something that—

Mr. Deputy Speaker: Order. It would help if the hon. Gentleman faced the Chair and, from his point of view, the microphones.

Barry Gardiner: I am grateful, Mr. Deputy Speaker.

There has to be a prima facie case presented to secure an arrest warrant. My hon. Friend the Member for Walsall, North made clear that he believed that there was a gap between the prima facie case being presented, which could secure the arrest warrant, and the security that the Attorney-General would not allow such a prosecution to proceed. It is that intellectual dishonesty that I seek to expose by my remarks.

It is important that we are able to secure prosecutions in this country in a timely fashion, as my hon. Friend the Member for Walsall, North said, for war criminals who happen to be in the country. My concern is the way in which this situation has created the possibility of further abuse in the future, which might interfere with the proper workings of Government in holding quite proper discussions with politicians not simply from Israel, but from many parts of the world; something it is important for the Government to be able to do.

Mr. Winnick: I am sorry, because I should, of course, have recognised that more time is available to us. Is my hon. Friend saying that the law, as it stands, is okay—I have never heard him criticise it before—but it should not apply to former Ministers who are alleged to have been involved in actions of a kind that I have described? Or do I take it that his argument is that the whole process should be changed, so that no prosecution can be brought and no arrest warrant issued without the Attorney-General's involvement? Is he in favour of that?

Barry Gardiner: I am rapidly losing my affection for my hon. Friend, because I fear that he is trying to traduce my argument. What he describes is not the position that I have outlined. I do not wish to outline my position for a third time, but in response to the point he has just made I should say that I do not think any of us were aware of the possible abuse of the system until this case arose.

Mr. Winnick: Where is the abuse?

Barry Gardiner: The abuse is precisely in the fact that this was done for publicity purposes, rather than because of any genuine belief that a prosecution had any chance of being successfully brought in this country. That is an abuse of the law, which is why it is important that the Government move to try to stop it. I believe that this is a difficult issue, and I fundamentally agree with my hon. Friend that it is important that cases involving violations of human rights, extra-judicial crimes and war crimes should be able to entertained within the UK jurisdiction. However, I do not believe that the law should be able to be abused as it was in this case.

5.1 pm

Jeremy Corbyn (Islington, North) (Lab): I thank my hon. Friend the Member for Walsall, North (Mr. Winnick) for securing this debate, and for his perceptiveness in obtaining a debate on a Thursday and thus giving us an hour and a half to debate universal jurisdiction. Most of us were expecting a 30-minute debate.

The House will be aware that I have tabled early-day motion 502, which has been signed by 101 Members who support it. It expresses concern about the restriction of the universal jurisdiction of UK courts in matters of human rights law. The background to this case rests, as my hon. Friend explained, on a number of conventions, but more recently it has rested on the case of General Pinochet. He was in this country on an arms-buying spree in 1998 when an extradition warrant was sought

[Jeremy Corbyn]

by Spain. The then Home Secretary—he is now the Secretary of State for Justice—granted the extradition warrant and General Pinochet was duly arrested. He then sought diplomatic immunity as a former Head of State, but that was rejected by the British courts. The House of Lords, in its final judgment, asserted that the British courts had universal jurisdiction in matters of human rights law. It did so on the basis of an arrest warrant that was granted by a divisional court. That is an important step forward in international law.

Those who have read my early-day motion will note that it specifically does not mention any individual case—it does not mention the arrest warrant sought in the case of Tzipi Livni. It is an attempt to defend a very important principle: the right of British courts to arrest people where there is prima facie evidence that they have committed human rights abuses or violated the appropriate United Nations statutes to which this country is also signed up.

The furore about this matter has arisen—it was, doubtless, what provoked my hon. Friend into obtaining this debate—because a universal arrest warrant was sought in the case of Ms Livni. It was obtained in a divisional court on the basis that there was prima facie evidence that she was a party to crimes against humanity during Operation Cast Lead, when Israel bombed Gaza and 1,400 people died. I was in Gaza two weeks ago and witnessed, still, the remnants of that attack. The arguments for changing the law seem to be coming from friends of Ms Livni who say that to prevent her from coming to this country would damage relations between Britain and Israel. They say that the rights and powers of a court to issue an arrest warrant must therefore be removed and that those powers should be placed in the hands of the Attorney-General, who would decide whether to issue the warrant or not.

As I explained in my invention earlier, the trend of legislation has been to separate for all time, as far as possible, the authority of the courts from the interference of politicians. That is something to which we all agree. The Attorney-General is inevitably a politically appointed figure. Let us imagine that the Attorney-General had to consider whether to issue an arrest warrant in the case of Ms Livni and that somebody, or a group of people, put pressure on them to do so. They would be put under a huge amount of pressure, including arguments that it was a diplomatic problem, that the Government of Israel and the US objected to it, that various Arab countries agreed with it and so on. It would no longer be a decision based on prima facie evidence or on the law, but a decision based on the diplomatic niceties of the situation and the political pressures under which the Attorney-General was put. Would the same pressures apply if somebody applied for an arrest warrant on Robert Mugabe? I do not know. All I know is that it is quite important that we should base this on humanitarian law and that the arrest warrant should be awarded, or not, on the basis of evidence put before the judge.

Barry Gardiner: My hon. Friend seems to be suggesting that the most important thing is that there should be an arrest. Surely we are all agreed that when there have been war crimes or violations of human rights, there should be a successful prosecution. To simply say that we must secure the arrest and that we do not want to get the Attorney-General involved at that stage is beside the point—in fact, it misses the point. Ultimately, it will be a matter for the Attorney-General and the Crown Prosecution Service whether that arrest leads to prosecution—

Mr. Deputy Speaker: Order. The hon. Gentleman seems determined to miss the microphones. I know he is trying to be courteous to the hon. Friends with whom he is disputing points, but it is very important for the benefit of those who compile the *Official Report* that they should hear what is said.

Jeremy Corbyn: It is a fairly obvious argument. There could not be a successful prosecution unless there had been an arrest in the first place. One needs a person to prosecute and the arrest warrant would provide that opportunity. That takes me back to the point: an arrest warrant can be issued only if there is prima facie evidence against an individual. The judge obviously thought that there was in this case. The then Home Secretary obviously thought that there was when he allowed the extradition request on General Pinochet in 1998. There are many other issues. My point is that if we sign up to UN conventions on torture and abductions and to conventions of any sort against humanitarian abuse and war crimes, is it a good idea to fetter our signing up to them by saying, "Oh, by the way, we will take the decision on political grounds because we do not want to upset friendly countries"?

We had the same debate when the Rome statute and the setting up of the International Criminal Court were discussed. We debated what would happen if the British military were accused under that statute of war crimes. The House took the position that we would support the Rome statute and sign up to the ICC. That was a good thing and I support that process. If we are to defeat human rights abuses around the world, we must be prepared to take the difficult decisions to prosecute the people who perpetrate these crimes.

Barry Gardiner: I am grateful to my hon. Friend for giving way again. The issue here is not whether the crimes will be prosecuted, but whether the arrest process should be initiated by a private individual. That is where the abuse appears to be taking place.

Jeremy Corbyn: My hon. Friend talks about an arrest being initiated by a private individual, but the arrest warrant in this case was sought and obtained by people acting on behalf of, or in sympathy with, those who suffered during Operation Cast Lead. If he is saying that there should be no option to go to court other than when a politically appointed Attorney-General, of whatever political party, decides that that would be a good idea, surely that is to negate the principle of universal jurisdiction. As I said earlier, that would reduce matters to the level of diplomatic considerations, rather than legal and humanitarian considerations.

Barry Gardiner: My hon. Friend is seeking to paint the Attorney-General as a political figure but the individuals who initiated the arrest warrant as in some way non-political. That is clearly not the case, particularly in this instance. Again, it is intellectually dishonest to try to represent the one as simply a disinterested individual who wants to ensure that war crimes do not take place, and the other as a politically motivated individual.

The Attorney-General, one assumes, has a mature and responsible attitude to ensuring that war crimes are prosecuted where an effective prosecution can be gained. He would therefore be prone to initiate an arrest warrant to achieve that.

Jeremy Corbyn: If my hon. Friend's position is that the Attorney-General would automatically be minded to prosecute, then I am sure they would have no problem whatsoever with there being a universal arrest warrant that could be obtained from a district judge on the basis of prima facie evidence.

My hon. Friend seems to adopt the position that interested parties, be they relatives or sympathisers of a particular group of wronged citizens, have to be removed. However, if we are to deal with human rights abuses, surely we have to be prepared to ensure that the current situation, which I regard as a huge step forward from what existed previously, is maintained, and that we do not change the law in that respect.

When the Minister replies, I hope she will understand that there are many people—in organisations such as Human Rights Watch, Justice, Redress, the International Federation of Human Rights, Global Witness and others—who are very concerned about the political statements made immediately after the non-visit of Ms Livni to this country because of the arrest warrant that had been issued. They urge that Britain stand on the side of universal jurisdiction, and not disappear from it.

A letter signed by a number of people is being sent to the Prime Minister on this matter. It states:

"The UK must not renege on its international treaty obligations, particularly those under the Fourth Geneva Convention...to seek out and prosecute war criminals wherever and whoever they are, whatever their status, rank or influence, against whom good prima facie evidence has been laid."

After the end of the second world war, many very brave people used whatever law was available to seek out and prosecute Nazi war criminals, in all kinds of jurisdictions all over the world—including this one. Many years later, as my hon. Friend will know because he was here, we eventually passed the International Criminal Court Act 2001, under which such people can be prosecuted.

I realise that my hon. Friend may have difficulties with the idea that a person of the stature and opinions of Tzipi Livni could be arrested for war crimes because of what happened in Operation Cast Lead, but that would be a matter for the courts to decide, if and when she were arraigned and a prosecution took place. However, he seems to be trying to put up a barrier that, as I said before, would allow a diplomatic intervention to prevent that happening.

If we are to be taken seriously on human rights law, we have to be prepared to prosecute people whether they come from countries that we consider to be friends, or from ones we do not. That is the principle at stake here. I hope that when the Minister replies, she will assure us that despite all the huffing and puffing of the past few weeks, she will recognise that 111 MPs from all parties signed my early-day motion, which is a significant number. The legal opinions that she, the Prime Minister, the Foreign Secretary and others have received are strong in this area, and I hope the Government will stand firm and say, "We signed up to all these international conventions. We accept the universal jurisdiction decision of the Law Lords in the case of Pinochet, from which some of this issue stems, and we are not going to change, just because it is inconvenient to some people at present."

If we are to prevent people from being bombed and killed, and if we are to prevent unreasonable military actions that result in huge loss of life, surely we have to do so through a legal process of accepting and understanding international humanitarian and human rights law, rather than saying it is all a matter of political judgment at the end of the day. I hope the Minister can placate people who are concerned about this issue, and tell us that there will be no change in this particular law, and that no amendments and no new law will be rushed through the House. If there is an attempt to do so, it will be met with widespread opposition from Members of all parties on both sides of the House and, I suspect, in the House of Lords, too, because this is an issue of the utmost principle and the utmost importance.

5.16 pm

Mr. Eric Joyce (Falkirk) (Lab): I will not detain the House, but I think there is an opportunity to raise an issue within the terms of the debate. It relates to a different part of the world: the eastern region of the Democratic Republic of the Congo. A number of people from that country are members of the FDLR, which is a rebel organisation. They live in Europe, having left Rwanda or the DRC. Some of them live in Germany and others live in the UK. Under the existing legislation, and under the proposed Government amendments discussed by my hon. Friends, they could still be apprehended.

The question is a technical one. There is probably sufficient information to arrest some individuals who are resident in the UK, and the UN group of experts investigating the issue has been somewhat hampered by the failure of the UK and French Governments to give it certain information such as telephone numbers, which it could pass on so that those people can be arrested. I understand that that constraint has come about because of privacy laws in the UK.

This is not something on which my hon. and learned Friend the Minister will able to respond immediately, but she may be able to pass it on to the relevant Minister. I recently had a meeting about the issue in general with the Minister for Africa and the UN, Baroness Kinnock, in the other place, and she said she would look into it in due course. However, it should continue be raised in debates such as this, because it is not right just to debate it when it comes to matters African. These things have a way of disappearing from the agenda.

The Government have introduced amendments to cover people in the UK accused of war crimes and genocide. Because the legislation is going to be amended, facilitating the arrest of these people—*[Interruption.]* My hon. Friend the Member for Walsall, North (Mr. Winnick) is referring to something different. The legislation to which I am referring will enable those people to be arrested in the UK and, I suspect, in the meantime, they can flee overseas. They may stay in other parts of Europe, which takes us back to the need for co-operation between European Governments and for providing things such as telephone numbers to allow

[Mr. Eric Joyce]

the UN group of experts to conduct investigations and provide information to the Governments, notably in Germany and the UK, so that those people can be arrested. I simply wanted to raise that matter: perhaps my hon. and learned Friend can pass it on to the relevant Ministers.

5.18 pm

The Solicitor-General (Vera Baird): I congratulate my hon. Friend the Member for Walsall, North (Mr. Winnick) on obtaining this debate on an issue that has attracted significant attention in recent weeks, and has done so, too, today. I am grateful—and I am sure that he is—for the contributions of my hon. Friends the Members for Brent, North (Barry Gardiner) and for Islington, North (Jeremy Corbyn) on this topic. I admire the way in which my hon. Friend the Member for Falkirk (Mr. Joyce) has taken the opportunity to raise an issue that is close to his heart. If he is not going straight to Falkirk after the debate, and can tell me a little more about the issue, I am happy to do what I can to help him.

My hon. Friends the Members for Falkirk and for Walsall, North were speaking at cross-purposes a moment ago. My hon. Friend the Member for Walsall, North does not want any change in the law, but the change in the law that my hon. Friend the Member for Falkirk was talking about was one, I think, of which my hon. Friend the Member for Walsall, North would approve. We have broadened—I say this in very general terms, not wishing to be specific at all—our ability to prosecute people who appear to be guilty of war crimes and genocide and who are living in this country. That, I think, is where my two hon. Friends got off on the wrong foot with each other.

The criminal law in England and Wales is primarily territorial. That is to say, it applies to acts committed by people of any nationality who are in England and Wales, not ordinarily extending to offences committed outside its borders, even when committed by British citizens. There are exceptions, which are drawn case by case by Parliament. Some such offences cover British nationals outside England and Wales—for instance, in the case of murder. Some such offences extend to UK residents outside the UK—for example, some sex offences, and war crimes, genocide and crimes against humanity in the International Criminal Court Act 2001.

Exceptionally, some offences go further and apply to persons whatever their nationality and wherever the act was committed—for example, grave breaches of the Geneva Conventions Act 1957, torture, and the taking of hostages. As a general principle, that exceptional jurisdiction is the result of international treaty obligations. This is universal jurisdiction. It is a vital part of our law, to which we are 100 per cent. committed.

It is an unusual, though not unique, feature of the criminal law of England and Wales that a private individual may initiate criminal proceedings. That can be done by applying to a magistrate for a summons, which summonses the person to come to court, or by an arrest warrant, which issues forth to arrest and imprison, at least momentarily, the individual in question. The evidence required before a judge is required to issue such process—a summons or an arrest warrant—is very, very limited. The evidence required before a judge is required at law to issue such process is little more than some prima facie evidence that an offence known to the law has been committed by the person named—not a prima facie case, some prima facie evidence.

Moving on into this process, there is a possible anomaly at present. A warrant for arrest, which is obviously a more draconian process than a summons, can be issued solely on the basis of that level of evidence. As a generality in the case of very serious offences, including war crimes—those that attract universal jurisdiction—the Attorney- General's consent to a prosecution is required. That is as a generality. Without the consent of the Attorney-General, nobody can be required to answer such an allegation. Without the Attorney-General's consent, a summons cannot be issued on the application of a private individual. However, in the case of a request for an arrest warrant, perhaps oddly, but because of a provision in the Prosecution of Offences Act 1985, there is no requirement for the Attorney-General's consent to be given until later in the process.

Let me be clear. The Attorney-General's consent is required to prosecute a war crime, torture or any other similar grave breach, and no prosecution can proceed far without her consent. But whereas consent is a prerequisite for the issue of a summons, it is not a prerequisite for the issue of an arrest warrant. That consent can come after the issue of an arrest warrant.

The net result is that a private individual in the UK can secure the arrest of a non-resident foreign visitor to this country—or of a British person, for that matter, but that is not the topic of this debate—on the basis of prima facie evidence only, which may subsequently prove insufficient to gain the Attorney-General's consent, insufficient for any prosecution to go forward, and insufficient to be taken any further at all by an investigation by the police or the prosecution authorities, let alone insufficient to bring a conviction.

Although I admire immensely the power with which my hon. Friend the Member for Islington, North argues his case, I am aware of no situation in the UK whereby the Attorney-General decides on the issue of proceedings. As I have set out, she can consent to an application and the Director of Public Prosecutions usually brings an application, but its release—the judicial part of it—is always done by a judge. That could not be changed; the separation of the powers is quite clear.

Whatever happens in the issue of process stage, the Attorney-General's consent is needed immediately afterwards. The private prosecution jurisdiction that my hon. Friend is troubled by has nothing to do with the Pinochet case, which was not a private prosecution. The process was issued over here from the Spanish court, and it then became complicated, as my hon. Friend has described, but if the right to a private prosecution were totally taken away, and no one suggests that it should be, the Pinochet event would still happen. The private prosecution is not the foundation of the law upon which we all rely and intend to cleave—namely the law of universal jurisdiction—either. Although some elements arose, the law has moved on extremely strongly to protect more people and to give more universal jurisdiction in the intervening years.

Jeremy Corbyn: Will my hon. and learned Friend confirm that in the Pinochet case, the then Home Secretary granted an extradition warrant, and that Pinochet was

therefore detained and, subsequently, there was a legal process? However, the then Attorney-General declined to mount a UK prosecution against Pinochet, and he relied solely on the Spanish and, indeed, Belgian applications for extradition. Thus, the then Attorney-General made a political decision not to prosecute Pinochet within the UK's jurisdiction. There was a reliance on the Spanish prosecution.

The Solicitor-General: Truly, I do not know. I cannot remember whether that is right or wrong, but it is a dangerous mistake to call a decision taken by the Attorney-General a "political decision", because the Attorney-General is obliged to look after the interests of the public and, indeed, the rule of law. When taking procedural decisions in connection with proceedings, they are not acting in any way as a politician; they are obliged to separate all those interests. Having said that—firmly, strongly and clearly, I hope—I do not remember whether the then Attorney-General decided that there should not be a prosecution, whether the matter never arose or whether there was a conflict of jurisdiction and there could not be any prosecution. I could not tell my hon. Friend.

Section 6(2) of the 1985 Act permits the Director of Public Prosecutions to take over any case that has been commenced by a private prosecution. There are conditions, set out on the Crown Prosecution Service website, under which the DPP will take over such a private prosecution, and the DPP may then pursue the case. However, if the full code test within the CPS code cannot be made out, because either the evidence to suggest a 51 per cent. chance of conviction does not exist, or there is insufficient public interest in it, although I imagine that the second would be a rare occurrence in such a case, the DPP may discontinue a case. Thus the power to issue a warrant on prima facie evidence may not necessarily result in the matter being taken very far.

However, the DPP may equally take over and take forward a prosecution, and that would involve a police investigation. The police would investigate and, in due course, seize what opportunity they had to make an arrest, if an arrest became appropriate. A prosecution could therefore follow—again, assuming that the test in the code for Crown prosecutors were made out.

In terms of the processes that I have described, it may become plainer and plainer that if a UK citizen has evidence of war crimes or of another crime that commands universal jurisdiction, the right course to pursue is to take this information to the police so that they can investigate it under the supervision of, or in partnership with, the CPS. There is a specialist unit in the Metropolitan police to deal with those cases. It may become reasonably clear that very little will be lost in doing that instead of seeking to exercise a right to obtain a summons or an arrest warrant, which could have a very short-lived effect and could cause difficulties of another kind to which I shall turn in a moment. Of course, the difference between reporting a matter to the police and leaving it to them to investigate and take further and issuing private process is the private arrest. It may be that some separate purpose is served by that in itself.

The UK has a duty under the Geneva conventions—the torture conventions and other conventions—to do as my hon. Friend the Member for Islington, North said: to seek out in order to extradite or to prosecute within our own jurisdiction people who are suspected of the grave crimes in question under those conventions. It is very important to make it totally clear that we as a Government are determined to do our duty in fulfilling our obligations under that law, as we did, for instance, in the case of the Afghan warlord, Zardad, who was successfully prosecuted for torture offences here in the UK in 2005. We are absolutely committed to upholding these conventions and to upholding the principles of universal jurisdiction. There can be no impunity for these most grievous of crimes.

There can be a potential impact on our international relations if attempts are made by a private person to arrest one of a foreign state's senior politicians during a visit to the UK. There has been discussion about a particular case. We need to be engaged in the middle east, as in other conflicts and post-conflict situations, if we are to carry out our international role as a member of the UN Security Council and negotiate in the interests of our own security. There are inevitably two sides to a conflict, and we need to engage with those who have been, and are, involved in a conflict if we are to be able to try to bring such a conflict to an end or to ease it. It would not be helpful if the use of such a power of application by a private citizen for a warrant for arrest made a person reluctant to visit the UK, notwithstanding that they may have a leadership role within their country and that we need to talk to them about such a matter.

Before I finish, I want to make two other points. First, I emphasise that nothing that has been said here is at all to undermine the independence of the judiciary, who will consider each and every case of every kind and of every nature, whether privately or publicly brought, on its merits. Secondly, although the issue that brought on this debate concerned an Israeli citizen, the position and the tensions can be equally present with other countries' nationals.

Mr. Winnick: I hope that my hon. and learned Friend recognises that I emphasised more than once that the Attorney-General must be involved in the prosecution. I made that clear, and she has confirmed it. However, she just said that the same situation may apply with regard to other countries. Clearly, this is not about Israel as such; no one could accuse me of having some sort of anti-Israeli vendetta, however much I disagree with many aspects of Israeli policy, needless to say. Is it not the case that if there is to be any change, primary legislation will be required? I would be grateful if she could confirm that. It goes without saying that I would be opposed to changes of the sort that she has described.

The Solicitor-General: I think that I am right in confirming that primary legislation would be required.

My point was not a suggestion that my hon. Friend had a particular view about the middle east situation, but that the position of an Israeli citizen brought about the debate in this Chamber. None the less, it is important to say that the position that that situation puts us in, and its accompanying tensions, can exist in relation to other country's nationals, and it stands separate from the position of the UK on any particular political issue.

I am glad that we have had the opportunity to discuss the matter and that I have had the chance to set out the current position in the law.

Jeremy Corbyn: Can the Solicitor-General confirm a point? As I understand it, there has to be primary legislation. Does she intend to introduce such legislation?

The Solicitor-General: All I can say is that I do not believe any change could be brought about if it were the Government's will to make a change without primary legislation.

I am glad to have had the opportunity to set out the current position, and the issues to which it gives rise, and I congratulate my hon. Friend the Member for Walsall, North on obtaining this highly contemporary debate.

Question put and agreed to.

5.36 pm

House adjourned.

House of Commons

Friday 29 January 2010

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

9.33 am

Julie Morgan (Cardiff, North) (Lab): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

The House divided: Ayes 0, Noes 51.

Division No. 65] **[9.33 am**

AYES

Tellers for the Ayes:
Nia Griffith and
Jessica Morden

NOES

Bottomley, Peter
Brennan, Kevin
Brown, Lyn
Clark, Greg
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Davey, Mr. Edward
Davies, Philip
Duddridge, James
Fitzpatrick, Jim
Flint, rh Caroline
George, rh Mr. Bruce
Gidley, Sandra
Goodman, Mr. Paul
Grogan, Mr. John
Hanson, rh Mr. David
Hendry, Charles
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jones, Mr. Kevan
Keeley, Barbara
Key, Robert
Kramer, Susan
Lewis, Mr. Ivan
Malik, Mr. Shahid
Mann, John
McCarthy-Fry, Sarah
Merron, Gillian
Mole, Chris
Morgan, Julie
Pope, Mr. Greg
Prosser, Gwyn
Randall, Mr. John
Rifkind, rh Sir Malcolm
Ruddock, Joan
Russell, Bob
Shaw, Jonathan
Simmonds, Mark
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, rh Angela E. *(Basildon)*
Spellar, rh Mr. John
Spink, Bob
Teather, Sarah
Thomas, Mr. Gareth
Turner, Dr. Desmond
Tyrie, Mr. Andrew
Wright, Jeremy

Tellers for the Noes:
Mrs. Betty Williams and
Laura Moffatt

Question accordingly negatived.

Mortgage Repossessions (Protection of Tenants Etc.) Bill

Second Reading.

9.44 am

Dr. Brian Iddon (Bolton, South-East) (Lab): I beg to move, That the Bill be now read a Second time.

The Bill empowers unauthorised tenants to apply to a court for a delay of up to two months when their home is being repossessed.

In November 2002 I was drawn 17th in the private Members' ballot and, despite that, successfully managed to steer through the Bill that became the Marine Safety Act 2003. In November 2009, I was fortunate enough to be drawn first in the ballot for private Members' Bills in what will be my final Session in Parliament. I hope that this Bill will be as successful as my previous private Member's Bill.

After attempting to steer the Registration Service Bill through, I persuaded my right hon. Friend the Minister for Housing, when he was the Treasury Minister with responsibility for the Office for National Statistics, to include the clauses in my private Member's Bill in the Statistics Bill announced in the Queen's Speech in 2006, so I can claim some credit, too, for the Statistics and Registration Service Act 2007.

As the House knows, more recently I have been attempting to prevent street traders using the Pedlars Acts of 1871 and 1881 to trade illegally, by introducing the Pedlars (Street Trading Regulation) Bill both as a ten-minute Bill and in the following year as a presentation Bill. However, I will leave it to other Members to see that business through.

Mr. Bruce George (Walsall, South) (Lab): Will my hon. Friend kindly stop gloating? I have tried for 36 years and I have not even come bottom of the ballot.

Dr. Iddon: My right hon. Friend makes me feel very small. I hope that after my exit from the House, he will be far more successful. At least I am making room for him.

Peter Bottomley (Worthing, West) (Con): I can claim only 34 years, but I hope that that success will be shared between us.

Dr. Iddon: I am honoured to have the hon. Gentleman as a sponsor of my Bill, so he has a share in at least one private Member's Bill.

Bob Spink (Castle Point) (Ind): Will the hon. Gentleman allow me?

Dr. Iddon: Indeed. Everyone can stake their claim.

Bob Spink: I warmly congratulate the hon. Gentleman. The House will be diminished by the loss of his charm, his courtesy, which is unfailing, and his wisdom. We all wish him well after the election. My private Member's Bill, which became the Confiscation of Alcohol (Young Persons) Act 1997, gave the police powers and is the most used criminal law in the land now, apart from the road traffic laws. Can the hon. Gentleman confirm

[Bob Spink]

whether clause 1(1) of his Bill giving the tenant protection against immediate eviction will relate not just to the conventional mortgage repossession proceedings, but to individual proceedings taken by the lender against the tenant who is, in effect, a trespasser against the landlord? Protection in both those cases is needed.

Dr. Iddon *rose—*

Mr. Speaker: Order. Before the hon. Gentleman proceeds, let me say that we have had an enjoyable Cook's tour of the legislative experience of individual hon. Members, but that probably will suffice. I know that interventions subsequently will not follow the model of the hon. Member for Castle Point (Bob Spink).

Dr. Iddon: The scope of my Bill will be self-evident when I finish my speech, which I hope will be relatively short. I thank the hon. Member for Castle Point (Bob Spink) for his comments, but he will not attract me to join his minority party.

I want to acknowledge the thousands of people who wrote to my office. We received more than 3,000 items of correspondence from individuals outside this place who offered me advice on the Bill to select. In most cases, that has obviously led to disappointment, and I apologise to all those whose Bills I have not chosen to proceed with today. I hope they will understand why I do not have the time to write back to them all individually. However, I thank them.

This is an extremely truncated Session of Parliament, with only six Fridays realistically available to deal with private Members' Bills, assuming that the general election is in May or June, rather than earlier. As a consequence, I have chosen what I consider to be a relatively simple Bill with only two main clauses. That the Bill has cross-party support is indicated by the names of the right hon. and hon. Members who have kindly agreed to sponsor it, and I thank them all for their support.

When I became chairman of Bolton city council's housing committee in 1986, I gave the then director of housing, John Roe, a list of 20 priorities that I wanted to pursue. The No. 1 priority at that time was homelessness, so it seemed appropriate to end my parliamentary career by again tackling homelessness. The Bill has arisen as a result of inquiries and complaints that Crisis, Shelter, Citizens Advice and the Chartered Institute of Housing started to receive in 2007, and I thank all those organisations for their support in introducing the Bill.

Bob Russell (Colchester) (LD): Could I suggest to the hon. Gentleman that when he took over the housing portfolio in Bolton almost a quarter of a century ago the problem that the Bill is designed to deal with did not exist?

Dr. Iddon: As far as I am aware, that is probably correct, and I shall explain why.

The changes proposed in the Bill follow recommendations made by the Select Committee on Communities and Local Government. It has the support of the National Housing Federation and the three national landlord organisations in England and Wales—the Residential Landlords Association, the British Property Federation and the National Landlords Association—where it will be applicable if it finds its way on to the statute book. The Council of Mortgage Lenders has also expressed its support for the principles in the Bill.

I remind the House that 126 right hon. and hon. Members signed early-day motion 1154 on this issue in the previous Session, and as of today 90 have signed early-day motion 643 in support of the Bill.

Philip Davies (Shipley) (Con): The hon. Gentleman says that the Council of Mortgage Lenders agrees with his Bill in principle, but, as I am sure he is aware, it has suggested two small amendments. Is he minded to support those amendments at a later stage? If not, what objections does he have to them?

Dr. Iddon: The Department for Communities and Local Government and I have been in close contact with the Council of Mortgage Lenders, and we are aware of its feelings about the Bill. We listened to outside organisations, and amendments were made to the original Bill, so the Bill before us addresses some of those objections. I am not sure to which two amendments the hon. Gentleman has referred, but we believe that we have satisfied the Council of Mortgage Lenders. We hope that if the Bill does not satisfy it, the accompanying regulations will. We want to carry all organisations with us.

Following the representations that were made to the Government by the external sponsors of the Bill, in 2009 the DCLG published a consultation document, "Lender repossession of residential property: protection of tenants". The consultation on that document closed on 14 October, and we still await its findings, although I believe that they are almost ready for publication.

A combination of rising house prices, the credit crunch and the difficulty of getting anything like a 100 per cent. mortgage means that home ownership is out of reach for most people—certainly more and more. Consequently, more people than for a long time have been attracted to the private rented sector. There are now 3 million households in that growing sector; in England alone, 14 per cent. of households live in it.

We have seen the buy-to-let market grow, too, as a result of those changes. Most tenancies are assured shorthold tenancies, usually of six or 12 months' duration. Landlords can gain possession of such tenancies by giving only two months' notice outside the fixed term. Most buy-to-let landlords pay a commercial rate on their lending and a higher arrangement fee than domestic or residential borrowers in order to purchase suitable properties. I want to make it clear that the Bill does not apply to the normal buy-to-let market.

Most owner-occupier mortgages prevent the borrower from renting their property without the lender's consent. However, a significant number of people have been borrowing money without telling the lender that they intend to buy a property to let to a tenant or tenants. As a consequence, those so-called residential-turned-let—RTL—tenancies are considered to be unauthorised in law, and the tenants are unprotected by the relevant housing legislation. If, therefore, their landlord defaults on the loan and the lender seeks to repossess the property, the tenants will lose their right to two months' notice and may face homelessness. That applies even if they are within the fixed term of the tenancy agreement.

Unauthorised tenancies can arise in other ways. People become reluctant landlords. They might inherit a property that they cannot sell or move to another property—perhaps in another town to find a job—and find it difficult to sell the one from which they have moved. In either case, they might decide to rent out a mortgaged property to a tenant without informing the lender. Some owner-occupiers might find themselves in financial difficulty and move to alternative accommodation—to live with relatives or friends, for example—and generate income by renting out their property to a tenant, again without telling the lender. In a recession, the number of owner-occupiers choosing that option is likely to increase.

It is very difficult to count how many repossessions involve RTL tenancies. The DCLG estimates that there were between 2,000 and 3,000 such repossession cases last year, but advice agencies believe that that is the tip of the iceberg. The DCLG estimates that there are currently 324,000 RTL households. Many of those tenants, especially if they are single, are not entitled to housing from their local authority should they become homeless. Consequently, they do not end up on any registers when they lose their homes, so it is difficult to count them. Instead, they have to make alternative accommodation arrangements, perhaps by moving in with friends or relatives, if they can.

Citizens Advice now deals with about 1,000 homelessness inquiries a year as a result of the problem, and Shelter's website advice page on RTL mortgages had more than 12,500 hits between June 2008 and October 2009. In a Crisis survey of advisers who help people to access the private rented sector, more than 60 per cent. said that they had been in contact with someone whose landlord had had a property repossessed. Undoubtedly, that is an increasingly important problem, which urgently needs the legislation that I am introducing.

If a property has been rented to an unauthorised, or RTL, tenant, the only warning that the tenant may receive of repossession before the initial court hearing or the issuing of a notice of eviction is a notice that the lender must now address to "The Tenant or Occupier". Those notices often go astray or remain unopened, and sometimes they are buried in piles of junk mail, especially in blocks of flats. Before 2008, when secondary legislation was brought in, notices were addressed only to "The Occupier". The Government changed the legislation in the hope that more tenants would open such correspondence and engage in repossession proceedings, but that is difficult.

Many RTL tenants first realise that they might be homeless only when bailiffs turn up on their doorstep to repossess the property. Some RTL tenants have arrived home to find that locks have been changed while they have been away from the property, at work or on holiday. I think that all Members will consider that to be unacceptable. The Bill is aimed at giving greater protection to this group of tenants.

James Duddridge (Rochford and Southend, East) (Con): The hon. Gentleman has focused his comments on the traditional forms of tenancies such as, say, assured nine-month tenancies. How would his Bill apply in protecting holiday lets or the very short-term lets that we see in central London?

Dr. Iddon: My understanding is that holiday lets would be outside the scope of the Bill. We wanted to keep it simple in trying to give justice to the 2,000 to 3,000 people, and rising, who are in this position every year. That is why I have not made it too complex.

In such circumstances, tenants can also lose out financially by losing rent paid in advance, or even their initial deposit if the landlord has not deposited it in one of the three Government-backed deposit protection schemes.

Bob Russell: Will the hon. Gentleman confirm that it is not only tenants who can lose money? In many cases, housing benefit goes to the tenant, who then pays the landlord, so the public purse loses out.

Dr. Iddon: Yes, I accept that. I will refer to housing benefit in a moment.

When a lender commences repossession against an owner-occupier, the lender is unlikely to be aware of a tenant in occupation. Current law does not allow the tenant to be represented at a possession hearing in court or for the judiciary to take account of the tenancy. The Bill provides that if a lender is seeking a possession order and the unauthorised tenant applies to the court, the court can postpone the date by which the tenant must leave the property for up to two months. That would assist many, but not all, of the tenants affected, by giving them time to find somewhere else to live before they lose possession. A warrant of possession is the means by which an order for possession is executed and possession of the property recovered.

The Bill would impose the new requirement that the lender must notify any occupier of that intention. Until that point, some tenants might be unaware that anything is amiss, so if a tenant had not applied to the court when the possession order was made, they could apply directly to the lender for a postponement of the order at the warrant stage. If that request were refused, the Bill would empower the tenant to apply to the court to determine the issue and grant a period of postponement of up to two months.

The Bill would not unfairly empower tenants who have breached their tenancy—for example, through non-payment of rent, antisocial behaviour, or damage to the property—as the court would be required to have regard to such breaches of tenancy when considering whether to exercise its powers; nor would squatters and trespassers be empowered by the Bill. However, the court would take into consideration a delay in the payment of housing benefit by a local authority.

The Bill also provides that if a lender chooses to collect rent from the unauthorised tenant during the notice period agreed, then doing so would not be considered to create a new tenancy. The Bill includes the power to make regulations requiring lenders to seek a new notice to enforce possession before they can seek a warrant of possession. It also gives a power to specify the means by which such a notice is served on the tenant.

In summary, there are two points in the process at which the tenant can intervene, if they so desire. The court could either postpone the date of delivery of possession by up to two months, or stay or suspend execution of the warrant for up to two months. The court

[Dr. Iddon]

could make any suspension conditional on rent payments continuing between the tenant and lender. The tenant would be entitled to one period of suspension only. Clause 1(4) states:

"The court may, on application of the tenant ("the applicant"), stay or suspend execution of the order for a period not exceeding two months if",

and so on. I am confident that a court would understand that the word "a" means only one suspension. In rare cases where a tenant seeks a second delay, I am confident that the lender's agent would ensure that the court is made aware that the tenant had previously applied and received a postponement of possession for up to two months.

Some concern has been expressed that the tenant might not engage in the legal process at the first opportunity, even when they were aware that proceedings for possession had commenced. In the majority of cases, the tenant would be unlikely to be aware that proceedings had commenced, for the reasons that I have given. However, clause 1(5) makes it clear that

"the court must have regard to—(a) the circumstances of the tenant",

which I believe covers this concern.

Clause 1 of my Bill would prevent RTL tenants from becoming homeless without representation in court and provide a period of up to two months during which they can search for alternative accommodation. Clause 2 covers the notice of execution of a possession order, while clause 3 interprets the various terms used in the Bill. Clause 4 is about commencement and extent. I am assured that the Bill conforms with the European convention on human rights.

I want to thank the staff of the Department for Communities and Local Government for all the assistance that they have given me in putting this Bill together, and for their advice on what is rather complicated housing legislation. I also thank my researcher, Gemma Reay, who has done most of the work for me behind the scenes.

I believe that this Bill, which would be fair to the affected tenants and lenders, has widespread support within and without this House, and I commend it to the House.

10.6 am

James Duddridge (Rochford and Southend, East) (Con): I will try to keep my remarks brief because there are several Bills that we wish to get on to.

I congratulate the hon. Member for Bolton, South-East (Dr. Iddon) on bringing this Bill to the House. It is particularly good that he has worked closely with the Government to give us the confidence that all the details are right. He mentioned its application under the European convention on human rights. When the Government introduce a Bill, we usually see a regulatory impact assessment. I cannot imagine that this Bill would involve an awful lot of costs, but I would be grateful if the Minister could say whether a regulatory impact assessment has been taken forward.

Dr. Iddon: If the hon. Gentleman would like to go to the Library, he will find an impact assessment and all the accessories to the Bill deposited there.

James Duddridge: I thank the hon. Gentleman for that. Earlier today, I went to the Vote Office and asked for all the papers relating to the Bill, but I was not given one of those. Perhaps I should have probed further and asked to be assisted with all the documents rather than just the primary ones.

Peter Bottomley: I do not want to intrude on the debate, but it might be a sensible innovation, or adaptation, if the Vote Office had a list of the documents that had been deposited in the Library. That would help hon. Members.

James Duddridge: That is an excellent suggestion, particularly on private Members' Bill Fridays, when we are never quite sure how far we are going to get and Members may find themselves debating Bills further down the Order Paper for which they are not fully prepared.

The issue underlying the Bill is a big one for my constituents. Southend has a large number of properties in multiple occupation and, particularly in times of recession, people often find themselves forced to rent out property. They may end up in the invidious position of having made mortgage commitments, and then, having lost their job, finding that they cannot afford the payments. They do not want to make things worse by going back to their lender and explaining that they are having to rent out the property—perhaps because the family has moved in with friends—in the full knowledge that the lender will have to charge them more under a buy-to-let arrangement. The fear of repossession is so great that they knowingly enter into a rental agreement that is forbidden under their tenancy. That is not specifically covered by this Bill, but perhaps it is something that the Government should be discussing with mortgage lenders. If someone is having problems with their mortgage, it should be possible to smooth the transition period by allowing them to rent out the accommodation over the shorter term instead of just letting it remain vacant.

I am particularly concerned about data protection issues that make it difficult to find the names of tenants at properties. Having rented out properties in the past, I know the problem of the big pile of mail. Anything that I saw addressed to "The Occupier" would have gone straight in the bin. It was usually from an estate agent wanting to sell the property. However, in a number of cases it is difficult for the mortgage lender to know who the tenants are, and that would be problematic in the cases in question.

Philip Davies: My hon. Friend raises a legitimate concern. Does he agree that there is also a legitimate data protection concern if a lender is asked to write to a tenant? In doing so, they may have to give out information about the landlord who has defaulted on the mortgage, and that, too, might breach data protection laws.

James Duddridge: My hon. Friend makes a valid point, but I hope that we can get over such problems to do the best by tenants.

In an intervention I mentioned short-term and holiday lets. Were I selected to serve on the Committee, I would want to ensure that the Bill took those lets into account. However, it is a very good Bill and I welcome it. I look forward to supporting it if it comes to a vote at some point during this Session, and I thank the hon. Member for Bolton, South-East for introducing it.

10.11 am

Bob Russell (Colchester) (LD): I congratulate the hon. Member for Bolton, South-East (Dr. Iddon) on introducing his private Member's Bill. It is a fantastic swansong, and I hope that it will become law.

The Bill relates to just one piece of the jigsaw of housing in this country, and we must consider it as such. When I intervened on the hon. Gentleman, he acknowledged that a quarter of a century ago the problem did not exist. If it did arise, cases were few and far between. However, over the past two or three years cases have been brought to me in my constituency. As we all know, when an MP is notified of something it is probably the tip of an iceberg, so I suspect that the problem is more widespread.

The reason why there was not a problem in Bolton, Colchester or anywhere else in 1986 is that at that time we were still benefiting from 40 years or thereabouts of council house building. Successive Governments had embarked on building programmes that meant that people had no need to go down the route that they are now obliged to. The figures that the hon. Gentleman gave were startling and worrying, because I suspect that the situation will get worse. It is important that all political parties acknowledge that, short of protecting the realm, the most important thing that any Government should do is ensure that people are housed. Sadly, what has happened over the past quarter of century or so has meant that there has not been a supply of affordable rented housing. Increasing numbers of people are therefore obliged to look elsewhere to meet their housing needs.

There are unscrupulous people out there. We are not talking today about legitimate organisations and landlords, who welcome the Bill in the way that legitimate employers welcomed the minimum wage, because only the unscrupulous benefit from the free market that we are discussing. I am aware of six people in my constituency who have become millionaires on the back of what we are talking about today, fuelled partly or totally by housing benefit from the public purse and by the comparatively massive rents that are charged compared with those for traditional council houses and now for housing association properties.

We are dealing today with the consequence of failures in housing policy, which are forcing increasing numbers of people into the sector that the Bill seeks to regulate. I shall give an example. One of the millionaires in my constituency now owns 50 houses, and the one whom I have come across mostly recently owns 30. One has managed to acquire 12 former council houses. There are now private tenants in them, and the rents being levied are comparatively massive.

I support the Bill because of a case that has arisen in my constituency in the past two months. I believe that the hon. Gentleman has heard me discuss it with the Minister for Housing. The first time that the tenant involved was aware that something was up was when a letter arrived. It turned out that the landlord had 30 houses. I contacted the building society and urged it to transfer the rent so that the tenant could stay. The family living in the property had been paying the rent to the landlord, but the landlord had not been paying the mortgage. The mortgage company therefore foreclosed, even though the tenant was bang up to date with the rent. That rent had not been passed through to the building society. A similar situation happened a couple of years back.

I question whether some mortgage companies and other money lenders are paying due diligence. I suspect that if what is happening with buy-to-rent mortgages in my constituency is being replicated across the country, it is one of the reasons why we had a banking crisis. In the case that I described, my constituent, the tenant, was sending rent to a post office box number in the south of Essex—we do not do this sort of thing in north Essex. The building society had lent money to purchase the house to somebody whose address was who knows where, and all the tenant's correspondence was to the PO box number. The building society kept sending reminders to the landlord, and after a while the tenant thought, "This is not quite right", and opened one of the letters. They realised that the mortgage had been foreclosed and that they were going to be out on the streets.

There are some scams going on, and we need to ask why they are allowed to happen. The Bill is good and deserves to succeed, but it will not address other pieces in the jigsaw. It will not deal with unscrupulous letting agencies that go under and then reopen, or with the service charges of unscrupulous property management companies. Most companies operate legally and legitimately, but we are concerned about the unscrupulous ones. Nor will the Bill deal with absentee landlords, who are quite often involved in cases such as we are discussing. Sometimes they are so absent that the tenant does not even know where they are.

We will need to address that issue in Committee, because associated with absentee landlords is the fact that often in buy-to-rent properties are the tenants nobody else will touch. The social consequences of such antisocial tenants, which can be addressed by councils or housing associations if they are their tenants, cannot be addressed with the same vigour by an absentee landlord. We need to take that into account.

I welcome the Bill although, as I have said, it is just one small piece of the jigsaw. There is a housing crisis in this country, but not necessarily a housing shortage. We have a mismatch, and there are empty houses that need to be brought back into use. The Government ought to use requisition powers, or introduce new powers. In a civilised country such as ours—the fourth or fifth richest economy in the world—it is ludicrous that we have thousands of children living in poverty, yet there are empty houses. The Bill is just one small step, but it is important. I support it and I urge the Government to embrace it and all political parties to get a serious grip on this country's housing crisis.

10.19 am

Bob Spink (Castle Point) (Ind): I very much welcome the Bill and I again congratulate the hon. Member for Bolton, South-East (Dr. Iddon)—may I call him my hon. Friend?

[Bob Spink]

The 2,000 or more tenants each year to whom the Bill applies are generally vulnerable people. They are often exploited by others who are stronger and in a more secure position. They deserve the House's help, so I hope that the Bill will be successful. It would give tenants legal status so that the lender would have to deal with a tenant, even if that tenant were unauthorised. Sometimes tenants are not part of the scam that creates their unauthorised position. They are often vulnerable people and victims, and they deserve our protection.

I am delighted with the extremely good briefing that the Residential Landlords Association sent me. It broadly supports the Bill, but asks a couple of questions about its scope and other items. It welcomes clause 2 because it

"requires notification to the tenant of intended eviction with provision for a breathing space".

It enables everyone to consider the true situation, look for the justice in it and ensure that an injustice is not done, either to the vulnerable individual—the tenant—or the public purse. Often, as the hon. Member for Colchester (Bob Russell) said, landlords will trouser the money and not pass it on when the tenant's payments are up to date. The lender is thus defrauded, not by the tenant but by the landlord who has pocketed the money. The breathing space in which to investigate what has happened and enable a remedy to be found if possible is essential.

We need to know whether clause 1 will protect the tenant not only when conventional mortgage repossession proceedings take place, but when the lender takes independent proceedings against the tenant as an individual. The tenant is effectively, in law, a trespasser against the lender, so the lender could theoretically take proceedings directly against the tenant. We need to know that the Bill will protect the tenant in those circumstances, too. The Residential Landlords Association briefing is excellent on that matter.

The Council of Mortgage Lenders gives a conditional welcome to the Bill. It is a little less than wholehearted, but the organisation agrees that

"in a very limited number of cases unauthorised tenants need more protection".

The Bill will provide that. In balancing justice and what is right, and what is right for society as well as the individual, the House can and should support the Bill. I will vote for it, and I warmly congratulate the hon. Member for Bolton, South-East and wish him well for the future.

10.23 am

Philip Davies (Shipley) (Con): I join other hon. Members in congratulating the hon. Member for Bolton, South-East (Dr. Iddon) on continuing his triumphs in the ballot for private Members' Bills, which he mentioned at the beginning of his speech, and on introducing the Bill. He gave some indication of the volume of requests sent to the person who is fortunate enough—or unfortunate enough—to come top of the ballot for private Members' Bills. I have never been in that position, and, given the experience of other hon. Members who have been here a long time, I am unlikely to get the opportunity to understand how difficult it can be.

I appreciate that it must have been difficult for the hon. Gentleman to choose a Bill to introduce because I am sure that many good causes tried to benefit from his position in the ballot. I congratulate him on the Bill that he chose because he has rightly identified a problem in the market, which needs resolving. I would like to think that the Bill will get a Second Reading today with unanimous support. Some things may need ironing out in Committee, but Second Reading is about the principle of the Bill, and I wholeheartedly support that principle.

I do not see any great point in going through all the reasons for the Bill because other hon. Members have set them out, not least the hon. Member for Bolton, South-East, who made an excellent speech. He explained the reasons for the measure and its scope with the current wording.

I want to flag up at this early stage some ways in which the Bill could be improved. The hon. Gentleman made it clear in reply to an intervention from me that he was seeking broad support for the Bill from all parts of the industry, and he has made a good fist of that at the first attempt. He said that he looked to organisations such as the Council of Mortgage Lenders for support, and he has broadly got it. However, some changes could do two things: reassure the Council of Mortgage Lenders about some of its concerns, while not making a material difference to the purpose of the Bill. I do not want to amend the Bill in a way that would neuter it or the purpose behind it. The principle is very good, but perhaps some amendments could be made that would retain the purpose but address some small concerns. I will go through those concerns shortly.

At the outset, it is worth considering unauthorised tenancies and why they arise. The hon. Gentleman mentioned that. In the case of people renting out properties without getting the mortgage lender's permission, some might argue that we should abolish unauthorised tenancies so that tenants, whether authorised in the traditional sense or not, have general protection. However, it is worth pointing out, as the Council of Mortgage Lenders has done, that there is a good policy reason behind unauthorised tenancies. Without them, we could end up in a position whereby

"unscrupulous borrowers could blight the lender's security by granting long term leases to tenants"

while defaulting on their mortgage, thereby leaving the mortgage lender in an impossible position.

The hon. Gentleman's strategy is right. It recognises the fact that we cannot give blanket coverage to tenants, whatever their circumstances. The provision to grant a two-month stay of execution is a sensible compromise, which protects the lender and the tenant.

The Council of Mortgage Lenders makes some other detailed points, which I want to raise. I hope that the hon. Gentleman will say whether he is minded to support those points through amendments in Committee or on Report and perhaps explain, if he is not, why not, because some of the points that the Council of Mortgage Lenders raises are worth further scrutiny.

The first point relates to trying to get a two-month delay. At what point should people apply for that two-month delay? As the hon. Gentleman said, the Bill does not set out whether that should happen at the possession hearing stage in court or at the warrant stage. As I understand it, the Bill would allow application for the two-month

delay at any stage. The reason that he gave was that letters sent before the possession hearing might not be received or opened, so people would not be aware of the process that was under way. It is therefore important that there is flexibility in the system, to make it clear that if someone only finds out at the warrant stage, they still have an opportunity to do something about it. I accept that point.

Dr. Iddon: Traditionally, buy-to-let tenants have two months before the notice kicks in. We discussed whether to apply that to the Bill, but the hon. Gentleman will have heard me say that the notice period is up to two months, so that if the tenant voluntarily gives up possession of the property, the sale can proceed. There is therefore a counter-balance, but the evidence from the charities working in this area is that most tenants are genuinely unaware that this is happening to them. I do not see any way around that. We have discussed this quite a bit with the Council of Mortgage Lenders, and we are prepared to meet it again. However, we believe that the Bill in its present form is the best we can achieve to protect the interests both of tenants and lenders.

Philip Davies: I accept everything that the hon. Gentleman says, and I do not think that there is any difference between us on what we are trying to achieve. The issue is more about minor detail, and how we reach the goal that we all wish to reach. However, regarding the point at which people can apply for a two-month suspension, the hon. Gentleman made it clear that clause 1(5) would prevent someone who had plenty of opportunity to know about the possession hearing from not doing anything at that stage and applying for the two-month delay at the warrant stage. I am not sure whether the provision does the job adequately, as the unauthorised tenant could ignore the notice about the possession hearing and the initial hearing, and could wait until the lender is at the warrant stage before going to court. I am not sure that the safeguard that he thinks the Bill contains is strong enough to stop that happening.

I appreciate that people may not be aware of the issue, and I shall come on to the way in which we can be more certain that they are aware of the possession hearing. It would be better if the Bill made that clearer and people were aware of that stage. For example, a letter might be sent to someone by registered post, so that they had to sign for it. It would be clearly documented that they had received it and there would be no doubt about that. That would be helpful, particularly as the hon. Gentleman made it clear that the matter of people deliberately ignoring action at the first stage had to be tackled. The position should be made clearer in the Bill so that people could not just ignore the notice and wait until the final stage before doing something about it.

It is not fair for people to wait until the final stage to do something about it, as it means that the landlord who has defaulted on their mortgage will rack up more interest costs while the second hearing takes place and that the lender cannot get on with their business. It will also clog up the court system, because instead of one hearing, two will take place. Anything that can be done to try to speed up the process and prevent extra court hearings is a good thing. I am not suggesting that the hon. Gentleman should remove the flexibility in the Bill. All that I urge him to do, either in Committee or on Report, is consider amendments that make it clearer that if people are aware of the first hearing, they have to act at that stage, and cannot wait until the second stage. We should, however, retain the safeguard that if they are genuinely not aware of the first hearing, they can act later.

Secondly, while I accept what the hon. Gentleman is proposing, I am not entirely sure that the Bill does the job. He said that people can apply for only one two-month delay, and I agree wholeheartedly. However, I am concerned that the Bill does not make that clear.

James Duddridge: I, too, was concerned about that. The hon. Member for Bolton, South-East (Dr. Iddon) discussed the reliance on the words, "a period". By substituting the words "a single period", we would solve the problem, and that might be something that could be considered in Committee to clarify the position.

Philip Davies: My hon. Friend is right, and I agree wholeheartedly. He said that we should use the word, "single", but I suggest that we replace "a" with "one".

Bob Russell: What about "a single one"?

Philip Davies: Perhaps we could combine the great talent on these Benches with that phrase. However, replacing

"a period not exceeding two months"

with "one period not exceeding two months" would put the position beyond doubt. As the provision is currently worded, there is still some doubt, because as long as the period lasts no more than two months, application can be made for more than one delay. The insertion of the word "one" would be extremely helpful, and I genuinely hope that the hon. Member for Bolton, South-East will consider that proposal as the Bill progresses.

Finally, I understand that the Council of Mortgage Lenders has raised the issue of the notice given to the tenant of the hearings. The Bill asks the lender to write to them to explain the process and the fact that there is going to be a possession hearing. My hon. Friend the Member for Rochford and Southend, East (James Duddridge) made it clear that there could be data protection issues, and I think that that may well be the case. I would not want the Bill inadvertently to stumble because it clashed with data protection requirements. The Council of Mortgage Lenders makes a good point in suggesting that it would be helpful if the notice to the tenant of the possession hearing came from the court, rather than from the lender. That would be beneficial for two reasons: first, it might avoid the data protection issues that could make the mortgage lender nervous. Even it were proved that it was not in breach of data protection laws, there might be a slightly chilling effect, as it might avoid doing something because it did not want to risk becoming involved in data protection issues. If the court service sent out the letter, that would certainly help with that problem.

Secondly, such a letter would help to ensure that people are aware of the proceedings that are under way. A letter sent to the tenant by the court would be much more likely to be opened and carefully scrutinised by the recipient than a letter from, perhaps, a mortgage lender with whom the recipient has hitherto had no relationship. Again, I hope the hon. Member for Bolton,

[Philip Davies]

South-East accepts that that provision would in no way affect the terms of his Bill or the purpose behind it. It would not prevent people from solving the problem that they find themselves in, but it would improve the process in the Bill and make it more robust. It would ensure that people who find themselves in a terrible situation through no fault of their own, when they have done absolutely nothing wrong, as when unauthorised tenants are faced with eviction simply because of the relationship between the landlord and the mortgage lender, have the safety net that the hon. Gentleman is trying to provide.

I do not wish to go on, because as my hon. Friend the Member for Rochford and Southend, East said, we have other important business to get through. However, I hope the hon. Member for Bolton, South-East reflects on those points of detail—I consider them points of detail as opposed to points of principle—in our further consideration of the Bill. If we could introduce those minor amendments, we could have a Bill that everybody across the whole industry agrees with, and we could shorten proceedings at future stages of the Bill. Rather than spending time arguing over amendments that I would hope to table on Report, we could move much more quickly and see the Bill become law. I would like it to do so, because it would give important safeguards to people who find themselves in a difficult situation through no fault of their own.

The Bill would be an appropriate legacy for the hon. Member for Bolton, South-East, who has served his constituents and the House with great distinction.

10.42 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Shahid Malik): I want to put on the record the fact that the Government wholeheartedly support the Mortgage Repossessions (Protection of Tenants Etc.) Bill, which has been introduced by my hon. Friend the Member for Bolton, South-East (Dr. Iddon). It would be hard not to support legislation that will help to reduce distress and disruption to households who rent in the private sector. The Bill will make the legal process substantially clearer for those tenants affected. It is positive and constructive and enhances protection for those people who rent privately and whose landlords have not requested or received lender consent to let.

As has been evident in the debate, the issue of short-notice eviction of tenants when their landlord falls into arrears and repossession action starts is by no means straightforward. It is legally complex. The gap in legal protection for tenants faced with that situation is not so much an oversight, but an historical result of myriad housing and mortgage laws pertaining to tenants.

My hon. Friend eloquently explained the problem and proposed a solution, and I do not intend to repeat what he said. However, I will say that it appears a no-brainer that the House should act to ensure that unauthorised private rented sector tenants are offered some form of legal protection. It cannot be right that a tenant enters into a tenancy agreement in good faith, only to discover that the lack of lender consent to let means that in fact they are unauthorised tenants with no rights or protections against the lender.

James Duddridge: The Minister mentions tenants entering into an agreement in good faith, but how about tenants entering into an agreement in bad faith? For example, would it be possible, under the Bill, for an individual who is living in a property and having their property repossessed to take on a tenant in bad faith—perhaps a friend—further to delay the repossession order? I cannot quite see how we would avoid that situation of people taking on tenants in bad faith. If that is not covered, could it be dealt with in Committee?

Mr. Malik: I was going to make precisely the point that the Bill perhaps does not deal with a number of issues that could be addressed in Committee. One thing is clear: the core rationale behind the Bill is shared by all of us. My hon. Friend the Member for Bolton South-East himself said that there was a clear, conscious decision to make the Bill as discrete as possible to ensure its progress. That does not mean, however, that other related matters pertaining to it cannot be dealt with in Committee.

This time last year, the issue of unauthorised tenants affected by lender repossession action against their landlord was beginning to be drawn to public and media attention, for which I would like chiefly to thank the advice sector and organisations such as Shelter, Citizens Advice, Crisis and the Chartered Institute of Housing. I thank those organisations for the time that they spent working on ideas to address the issue, including in the joint report "A private matter?" which was published in March 2009.

Bob Russell: Will the Minister hazard a guess as to why this relatively recent problem has arisen?

Mr. Malik: I am not in the habit of guessing—I will leave that to others, who can do so in Committee.

In fact, the Select Committee on Communities and Local Government was ahead of the organisations I mentioned. A report published on 24 February 2009 identified the issue and called on the Government to produce guidance to stipulate how lenders should act when tenants are discovered in a property that they are repossessing. In addition, the Department for Communities and Local Government ministerial postbag started to receive details of individual cases in which tenants were suffering eviction at very short notice as a result of landlord repossession. Common themes included the lack of information available to the tenant, the complaint that no one would listen to tenants, and tenants' great distress at needing to find an alternative home so abruptly. The hon. Member for Colchester (Bob Russell) alluded to the fact that some tenants find out that a property is being repossessed without being told themselves, which I do not advocate. Clearly, that situation did not seem right and needed investigating. As a result, my right hon. Friend the Member for Derby, South (Margaret Beckett) announced on 13 May 2009 the Government's commitment to legislate at the earliest opportunity to provide better protection for tenants in repossession cases.

As my hon. Friend already mentioned, the Department issued a consultation over the summer, "Lender repossession of residential property: protection of tenants", to which there were more than 30 responses. The responses recognised that short-notice eviction was a very real issue. There was equal recognition that action needed to be taken.

I am pleased that a large number of local authorities responded to the consultation. They were extremely supportive of the need to ensure that tenants in that situation were given adequate notice to find alternative accommodation, and cited recent examples of properties being repossessed when tenants were living there. The problem is real and it has real consequences for people's lives.

It would be remiss of me not to mention the lender sector, which also responded to the consultation document, either directly or via representative bodies such as the Council of Mortgage Lenders, which the hon. Member for Shipley (Philip Davies) mentioned, the Building Societies Association, or the Financing and Leasing Association.

Bob Russell: In those representations, was there any recognition, by any of the money lenders, that they, in part, were responsible for some of the cases because they failed to have due diligence regarding those to whom they were lending money?

Mr. Malik: The honest answer is that I am not aware of that, and I am happy to write to the hon. Gentleman on that point. However, we know that over the past 18 months due diligence has not really been at the forefront of the minds of bankers and financial institutions.

Bob Spink: The Minister mentioned councils and their attitudes when people become homeless. Would he expect a decent council to act with compassion rather than dig its heels in and enforce its statutory powers, especially when the vulnerable person who is facing homelessness—I have in mind a case in Castle Point at the moment—is disabled and has not acted as well as they might have done in responding to the council because of a mental illness or some other problem? In such a case, would the Minister expect a council to be compassionate and do everything that it can to ensure that someone in that vulnerable position is not made homeless?

Mr. Malik: The hon. Gentleman makes a good point. In these difficult times, the Government would expect compassion to be at the forefront of the minds of those in positions of public authority. The Government have made great efforts to ensure that compassion is instituted in several organisations. That is why—the hon. Member for Rochford and Southend, East (James Duddridge) spoke about some of the challenges that exist—the Government introduced the Real Help Now campaign, which is accessible via direct.gov.uk and provides £130 million extra funding for free face-to-face debt advice.

Lenders have also agreed not to repossess for three months while forbearance is discussed. Anyone with problems needs to engage with their lender as soon as possible. They will probably find that lenders are not as eager to repossess as has been assumed. Since April 2008, some 330,000 homeowners have benefited from this Government-initiated help and advice.

James Duddridge: The consultation is a worthy exercise and I wish to tease out the level of Government involvement. Why, given that the consultation exercise closed on 14 October, have the Government not yet issued a response? Surely that would have been helpful before today's debate?

Mr. Malik: I am not fully aware of the reasons for that. I hope that I will address some of the issues about which the hon. Gentleman is concerned in my speech, and I will write to him in due course on the consultation.

No lender deliberately intends to evict a tenant from a property against which they are taking repossession action. Many lenders, rightly, are sympathetic when a tenant becomes known to them and engages with them, and they can take account of the tenant's circumstances and allow them a period to find somewhere else to live. That reinforces the point made by the hon. Member for Castle Point (Bob Spink) that compassion is crucial in this matter.

Bob Russell: In one of the cases that I mentioned, compassion was non-existent.

Mr. Malik: Obviously, I am not familiar with the individual case, but we have made our view clear. In difficult times, a decent society would wish to be compassionate to people in difficult circumstances. I am therefore pleased that the Government's interventions and programmes have meant, for example—this is a factual point and not party political—that the number of repossessions is half the rate it was during the last recession. I note the interesting statistic that in 1992 quarter 1 homelessness due to mortgage arrears was running at 12 per cent., but in Q3 of 2009 it was 3 per cent. Intervention helps, and compassion is at the core of that.

Unfortunately, the lender is often unable to help because they are reliant on the tenant making themselves known to them. For obvious reasons, that is not always possible and it can often happen too late in the process. In addition, unless the Bill is enacted, there is currently no official mechanism for tenants to engage with the court repossession process and no opportunity for the judge to take them into account when making a decision on repossession.

The process of lender engagement in this issue tends to be ad hoc and certainly tenant experiences are not universal. Worried and vulnerable tenants need some clarity about the steps that they should take to prevent themselves from being made homeless at short notice. My hon. Friend's Bill would achieve that.

I recognise some of the concerns raised by the lender sector about the Bill in response to the consultation document. While the need for tenants to have some opportunity to engage with the repossession process is key, it is recognised that some lenders feel the Bill to be complex and want to ensure that it is proportionate to the scale of the problem. That is a reassurance that my hon. Friend has been keen to give, and I can assure those stakeholders and the House that the Bill is indeed a proportionate response to the problem, given that it is clear that the various stages can be invoked only by an unauthorised tenant under threat of short-notice eviction as a result of landlord arrears and repossession. I would also argue that a Bill with only two substantive clauses is relatively simple. I understand that the secondary regulations also give further reassurances on processes that the tenant and lender will need to go through.

James Duddridge: I asked about the regulatory impact assessment, although I decided to stay in my place rather than run to the Library to get a copy. Did the Department write or influence the RIA? If so, that would reassure me.

Mr. Malik: I can assure the hon. Gentleman that the Department did all that he would expect to ensure that full support was given to the Bill and to my hon. Friend.

What strikes me most about short-notice eviction is the injustice of it. The majority of private rented sector tenants are good tenants who pay their rent on time. The fact that they may have lived in the property for some time, blissfully unaware that their landlord has any financial concerns until the bailiffs turn up on their doorstep, is shocking. One can only imagine the distress that that causes, not to mention the disruption to normal life and likely financial hardship incurred as a result, through no fault of the tenant at all.

It is unfortunate that owner-occupier landlords, either through inexperience or poor business decisions, get themselves into a mess and are unable to pay their mortgage. Worse still is the worrying number of landlords who do not actually use the rental income received from tenants to service the mortgage debt. It is hard to believe that that is the case, but unfortunately it is too often true.

In endorsing the Bill, the Government are showing our commitment to supporting the professionalism of the private rented sector. I note that the National Landlords Association and the Residential Landlords Association have supported the Bill's objectives. That speaks volumes. Landlord organisations recognise that short-notice eviction of good, rent-paying tenants flies in the face of all the good work that they have been doing to ensure that the private rented sector is a professional and competent one, so that to live in such a home is seen as an active choice rather than a second-rate alternative to social housing or home ownership. The National Landlords Association and the Residential Landlords Association do not want unprofessional landlords operating in the private rented sector any more than tenants do.

The Government stand by my right hon. Friend's commitment to legislate at the earliest opportunity. This Session's timetable has put pressure on the legislative programme. The Bill introduced by my hon. Friend neatly helps the Government to fulfil the commitment made, especially as I can assure the House that it addresses many of the concerns raised by respondents to the Department's consultation.

Proceedings interrupted (Standing Order No. 11(4)).

Personal Statement

11 am

Harry Cohen (Leyton and Wanstead) (Lab): I am here to apologise to the House. I do so without proviso. In my statement to the members of the Standards and Privileges Committee, I said that I would concur with whatever decision was made by them, and I stand by my word. There was no intention of wrongdoing on my part, and I am sorry for my assumption that I was eligible to claim as I did, which was wrong.

I have two further apologies, the first of which is to my constituents. The good people of Leyton and Wanstead do not deserve to have their faith in their parliamentary representative so severely shaken. They deserve the best, untarnished representation. Also, the best of my efforts over the past 27 years has been in taking up their cases, including cases of injustice to them. In the past intensive nine months of the inquiry into me, I have had to give a lot of time to my own case, when I would have much preferred to be dealing with theirs. I am sorry for any shortfall as a result.

Secondly, I publicly apologise to my wife Ellen, who is taking a lot of the flak. This situation is not her fault and she has suffered as a consequence. I am deeply sorry about that.

Finally, I have the greatest respect for Parliament and would not intentionally have wanted to do anything to tarnish its reputation. I am sorry if I have done so.

Mortgage Repossessions (Protection of Tenants Etc.) Bill

Proceedings resumed.

11.1 am

Mr. Malik: I particularly support my hon. Friend the Member for Bolton, South-East in his endeavours to bring his private Member's Bill to fruition because it sits neatly alongside the suite of actions that the Government have taken. One of those actions is worth mentioning. The hon. Member for Colchester talked about housing shortages. I am sure that he will welcome the fact that the Government have initiated a council house building programme once again. That is something that others will welcome too.

The Government took action, and took action early, as soon as it became clear what the impact of the financial crisis would mean for hard-working households in the UK. We have been proactive. We have introduced real help for people facing the threat of repossession, and we have introduced that help at every stage of the process. As I have said, that stands in stark contrast to the previous recession in the 1990s, when the Government took action after repossessions had peaked and the worst had passed. This Government have been proactive. We have put home owners at the heart of our response to the economic situation.

Let me once more highlight the actions that we have taken. We have invested £130 million in providing free face-to-face debt advice services between 2006 and 2011. As a result, over the past year more than 110,000 families have benefited from information and advice on their mortgage difficulties. We have reached agreement with the major mortgage lenders not to repossess a property for at least three months after an owner goes into arrears. At least 133,000 families are now benefiting from that tolerance from their lenders.

We now have a pre-action protocol in place, which means that lenders have to exhaust every possible option to keep a family in their home before applying for a repossession order. Even once someone is in front of the court, there is still Government help for them. We have doubled the funding for free on-the-day advice and representation for those in court. That can help households who access the support available to avoid the threat of immediate repossession in four out of five cases. For those households that have exhausted all avenues of help available, we have introduced the mortgage rescue scheme. However, Government action in the earlier stages of repossession means that few people currently reach that stage.

Many of my constituents have relatives who live in my hon. Friend's constituency, and I have to say that they are constantly praising him. Today I want to join them in praising him. *[Interruption.]* He is so immersed in the debate that he is ignoring the praise that is being heaped on him—but they say that the best praise is praise given behind somebody's back. I pay tribute to my hon. Friend, who after 13 years is standing down at the next general election, whenever that might be. His contribution to this House and to his constituents has been enormous. The Bill will form a fitting part of his honourable and distinguished legacy in this place. On behalf of all hon. Members and, I am sure, the citizens of Bolton, South-East, I would simply like to say that it has been a privilege and an honour to work with him.

The package of support that this Government have put in place to support households under threat of repossession in the current economic climate is comprehensive. My hon. Friend's Bill to protect unauthorised tenants of repossessed landlords complements that package. I commend it to the House.

11.6 am

Mr. Stewart Jackson (Peterborough) (Con): I begin by echoing the comments of other hon. Members and warmly thanking the hon. Member for Bolton, South-East (Dr. Iddon). He has made contributions to a number of things, not only as a dedicated and assiduous constituency Member since 1997, but as someone who has helped to improve our understanding of science in Parliament and, from my personal point of view, done excellent work as secretary of the all-party group on Pakistan, which I have the honour to chair. I also pay tribute to the coalition of organisations that have pushed for the Bill, which includes Shelter, Crisis, the Chartered Institute of Housing, Citizens Advice, the Residential Landlords Association and the Council of Mortgage Lenders.

The Bill is commendably short, with only four clauses, and it is an important step towards redressing the balance in favour of tenants, while protecting the position of mortgage lenders. Under the assured shorthold tenancy regime, all tenants should receive at least two months' notice where their landlord requires possession, so long as the tenant is not in default. However, as we have already heard, it is currently the case that unauthorised tenants have limited rights when their landlord faces repossession. As we know, sometimes the tenants might not find out that the lender is repossessing the property until the last minute. There have been cases, for example, where the first indication is notification from the bailiff or, in some extreme cases, the bailiff turning up on the doorstep to take over the property.

In that situation, individuals and families are left with little or no time to find alternative accommodation and avoid homelessness, which cannot be fair. I believe that we have a moral obligation to put unauthorised tenants of a defaulting borrower on the same footing as others in the private rented sector. All tenants, subject to certain safeguards, including payment, should be able to require the lender to delay possession for a period of up to two months, so that they have a realistic opportunity to make alternative arrangements and find somewhere else to live.

I welcome the fact that the Bill has received Government backing, and I assure the House that my party is keen to see it progress and become law. We will do everything that we can to facilitate that. The Bill has received cross-party support and has been welcomed by all the major housing industry organisations. That is testament to the importance of filling the gap that exists in the legal protection for private tenants whose landlords are repossessed. For that reason, I want to put on record my disappointment at the Government's failure to act sooner.

As early as May last year, in a Department for Communities and Local Government press release issued on 13 May, in response to the Rugg and Rhodes review

[Mr. Stewart Jackson]

and following a great deal of Conservative pressure, the Government announced their intention to legislate "at the earliest opportunity" to give unauthorised tenants more time to find alternative accommodation and avoid homelessness. However, the Government failed to take the opportunity to table amendments to the Local Democracy, Economic Development and Construction Bill, and nothing about this was to be found in the Queen's Speech.

As we have heard from my hon. Friend the Member for Rochford and Southend, East (James Duddridge), the pledge to respond to the public consultation that concluded on 14 October has yet to come to fruition. I hope that the Minister will place in the Library a copy of the letter that he is going to write to my hon. Friend to explain why that is the case. Even the DCLG's "Preventing Repossession" factsheet, published on 12 November last year, repeated the pledge that early action would be taken. Clearly, however, that has not happened.

I shall remind the Minister of what my party called for as long ago as February 2009. We asked the Government to address tenants' concerns in the following ways: by immediately implementing an increased notice period of five to seven weeks for any court repossession hearing; by investigating how lenders could address their communications directly to tenants, rather than sending the usual bland "To the occupier" letter; by encouraging courts and lenders to allow tenants to be heard at repossession hearings; and by asking lenders to consider extending the notice period between a repossession order being made and eviction.

Bob Russell: Is the hon. Gentleman suggesting that this private Member's Bill is insufficient and should be expanded?

Mr. Jackson: No, as is evident from my previous remarks. As the hon. Gentleman knows, we strongly support the hon. Member for Bolton, South-East. It is important, however, to put on record the fact that the Government have not acted with appropriate alacrity, as the Minister has said, and that my party was addressing these key issues as long ago as early 2009.

Mr. Malik: Will the hon. Gentleman take this opportunity to congratulate the Government on their swift action to help distressed home owners? The repossession rate is now 50 per cent. of the rate in the early 1990s. Is not that a great example of how this Government have been proactive and intervened rather than being sluggish, as he has suggested?

Mr. Jackson: We could debate Government housing policy, but I suspect that that would be ultra vires to the debate. We have a degree of consensus, and I do not want to ruin it by wandering off into a party political debate, although I have to say that the Government's record is not particularly strong.

Bob Spink: I do not want to stray too far from the subject of the debate, but the issue of the number of houses available for people to rent—particularly social housing—is linked to it. Does the hon. Gentleman agree that the Government's record on house building has not been good enough—

Madam Deputy Speaker (Sylvia Heal): Order. I am afraid that the hon. Gentleman is straying wide of the topic of the debate, even though it is a Second Reading debate.

Mr. Jackson: Thank you, Madam Deputy Speaker.

I believe that we can achieve consensus around the idea that both parties have perhaps not done enough work on the arcane legal and financial rules about, for example, residential investment trusts, which have been very successful on the continent and in north America. Perhaps all the parties need to suggest to the Treasury the idea that we need to increase provision in the private rented sector. If my party is fortunate to be elected to government, it might look at that issue.

Unfortunately, despite a consultation in the late summer months, substantive Government action to help unauthorised tenants was not forthcoming, in spite of our being in the midst of a deep recession, with an increased number of landlords defaulting on their mortgage payments. So we must now work hard to get this private Member's Bill on to the statute book as quickly as possible. My hon. Friend the Member for Welwyn Hatfield (Grant Shapps) made a commitment to the hon. Member for Bolton, South-East on that some months ago.

The hon. Member for Bolton, South-East is right to draw to our attention the significant scale of the problem. A major issue here is that no data are available on how many unauthorised tenancies exist in England and Wales. Based on the Government's own figures, it is estimated that 324,000 so-called RTL—residential-turned-let—households are currently renting from landlords without the lender's permission. The tenants therefore have no rights and would be at risk of short-notice eviction if their landlord were repossessed. It is important to realise that there might be more unauthorised mortgages than anyone imagines, simply because borrowers with buy-to-let mortgages might not have gone through all the required formalities. We know that from anecdotal evidence.

We owe it to all such tenants to give them some security. The importance of this issue is laid bare when we consider that there could have been up to 3,000 cases of short-notice eviction in 2009 alone. The Government need to do more work on this, and to undertake quantitative and qualitative research to ascertain the scale of the problem. It might be appropriate for them to liaise with Citizens Advice on this issue. Even those lower estimates still represent a huge number of households, many with young children, being thrown out of their homes through no fault of their own.

Bob Russell: When those young families are thrown out, the local authority is required to provide emergency housing at a cost to the public purse, and the tenants will often have paid their rent using housing benefit money. Does the hon. Gentleman agree that there should be a charge on the owner of the property to refund that housing benefit money to the public purse, and to pay for the emergency housing costs? Why should the public purse pay for these crooks?

Mr. Jackson: The hon. Gentleman invites me to meander along a path that would take in a review of the housing revenue account and housing benefit. I shall

resist the temptation to tarry with him, even though he is an expert on social housing, but I am sure that the Minister heard his suggestion.

The problem is aggravated by Financial Services Authority rules, which force lenders who are repossessing a property to market it as soon as possible and to obtain the best price that might reasonably be paid at the time.

On a related note, I should mention that the Bill is a welcome step for landlords as well as tenants. It is vital that we support the private rented sector in increasing general housing supply. This is particularly true where that would bolster social housing, which is under severe pressure from a social housing waiting list that has nearly doubled to more than 1.8 million families under this Government. That is a direct result of their failure to build enough social homes. The Bill will tackle a problem that the Residential Landlords Association believes brings

"the private rented sector into disrepute".

More and more, the private rented sector is providing homes for the less well-off and those who cannot afford to buy, so it hardly helps the sector if tenants cannot feel secure in their homes.

The proposed approach should also be a welcome move for lenders. As the Royal Institution of Chartered Surveyors has pointed out, the two-month period will not add an excessive delay to the system and the lender will still be able to sell the property after that period. Banks are looking for certainty, and want to know that they will be able either to sell a property or to build up a portfolio of property for rent. The certainty of a two-month period will also allow a value to be placed on delays.

There are a number of issues with the drafting of the Bill that it is apposite to examine, and no doubt that will happen during the course of its passage. Parts of it need to be debated and scrutinised more closely. For example, we need to examine whether the Bill applies not only to conventional mortgage possession proceedings but to independent proceedings brought by a lender against a tenant. The hon. Member for Castle Point (Bob Spink)—my erstwhile hon. Friend—mentioned that point earlier. We should also ascertain whether it is appropriate that the notice to the tenant occupier should be sent by the lender and not by the court service. That point was raised earlier by my hon. Friend the Member for Shipley (Philip Davies).

We also need to ascertain how we can get past the data protection legislation issue, which the Council of Mortgage Lenders reports is a practical difficulty facing lenders. Also, would the Bill place an onus on unauthorised tenants who receive notice of possession to apply to court at the possession hearing stage and not to delay, knowing that clause 1(4) can be relied on?

All those issues are by no means insurmountable, and I am confident that the Bill can be refined and improved in Committee. We trust that the Government will pay due regard to the potential amendments to clause 1(4) suggested by the Council of Mortgage Lenders and the potential amendments to clause 1(7) suggested by the Residential Landlords Association. I got the impression that the hon. Member for Bolton, South-East is amenable to a fuller debate on those specific issues.

Given that repossessions are predicted to rise to 53,000 in 2010, this private Member's Bill is an essential piece of legislation that has been necessary for some time. It has only just emerged that we have crawled out of recession, but that does not mean that the threat of repossession will go away for many in the private rented sector. Although the majority of tenants, particularly those in buy-to-let properties, should expect to be protected from sudden eviction by lender good practice, it is important that a legal minimum exists for those tenants who are not. As the housing market starts to improve, any recovery is likely to be followed by interest rate increases, which may make some mortgages more expensive. There is a possibility that that will lead to investors being unable to afford property and to more tenants having to leave their homes. Thus, as hon. Members have made clear, there may be perverse consequences to improvement in the housing market.

In conclusion, we strongly welcome this Bill—it is the right way to proceed—and it has genuine cross-party support and support in the housing community. I commend the hon. Gentleman and, if I may say so, this will be a fitting tribute to his dedication, hard work and knowledge in this area. In case we do not have the opportunity to cross swords before the general election, I shall now wish him well in his future life.

11.21 am

Sarah Teather (Brent, East) (LD): May I begin, as everyone else has done, by congratulating the hon. Member for Bolton, South-East (Dr. Iddon) on coming first in the ballot, which is an extraordinary achievement that everybody else envies, and on using that privileged position to introduce a Bill that is supported by the whole House? The impression that I have from today's debate is that any difficulties that people might have with it will be on technical issues that ought to be dealt with in Committee.

The Bill is long overdue, and the Minister said that it was a "no-brainer" that we needed this legislation. I agree with him, but I wish the Government had come to that view and put this legislation into effect themselves some time ago. He referred to the many previous Housing Ministers who had promised, at different stages, to legislate at the earliest available opportunity. The hon. Member for Peterborough (Mr. Jackson), who spoke from the Conservative Front Bench, discussed the construction Bill, but I was hoping that at least we would see this legislation as an amendment to the Financial Services Bill. The Government seemed to be indicating to housing charities that that was what was going to happen, but at the last minute these provisions disappeared from that Bill and no such provisions were introduced. Thank goodness, therefore, that the hon. Member for Bolton, South-East stepped into the breach. However grateful I am, as indeed the whole House is, that he did so, I am not sure that it is appropriate to use a private Member's Bill to get through legislation to which the Government say they are committed. Unfortunately, it was remiss of the Government that they did not legislate earlier.

I was pleased to hear the Minister say throughout his contribution that he is very supportive of the Bill, and the Department has supported the hon. Member for Bolton, South-East in drafting it. What I want to hear from the Government is not only that they are supportive, but that they will guarantee that parliamentary time is made available to ensure that the Bill gets on to the statute book, because it is long overdue and desperately needed.

[Sarah Teather]

As other hon. Members have said, charities such as Shelter and Crisis have been campaigning for this for a long time. Citizens advice bureaux have been warning for a number of years about the cases they have seen in which the first that tenants know about the likelihood of their losing their home is when they find that the locks have been changed. I do not wish to cover everything that other hon. Members have said, given that we are all broadly supportive of the Bill. However, it is worth picking up on a couple of the points with which I particularly agreed.

The hon. Member for Bolton, South-East explained the difficulties for landlords and why they may sometimes not tell their mortgage provider things. It is worth our understanding why that might happen in order to understand how as many as 300,000 tenants may be in unauthorised tenancy agreements.

Bob Russell: Does my hon. Friend think we could examine that particular point in Committee, because when a local authority provides housing benefit to somebody in a private tenanted property it needs to be assured that the tenancy is legitimate under the laws of the land?

Sarah Teather: My hon. Friend talked earlier about seeking such money back from the landlord. Unfortunately, if we were to take that approach all that would happen is that we would speed up the process of repossession. If a landlord is already having his house or flat repossessed because he is unable to pay the rent, attempting to claw back the money that has been paid in housing benefit would not really work. I understand the point that my hon. Friend is making about ensuring that the tenancy is legitimate and the authorisation appropriate, but I am not sure that this Bill is the best place to do that. I hope that the Bill will go through Committee as quickly as possible and get on to the statute book.

I encourage anybody who sits on the Committee to concentrate on the Bill, because I do not want any excuses from the Government about delay, as the Bill might thus not become law. If lots of extraneous amendments are tabled to important provisions, that could be used as an excuse when the Council of Mortgage Lenders later decides that it is getting cold feet about the Bill and the Government then say that they do not have parliamentary time available. That is my greatest fear. I suspect that such a situation might be the reason why these provisions did not end up in legislation earlier this year or in the Queen's Speech; I suspect that the Council of Mortgage Lenders decided to throw its weight around and the Government said, "Do you know what, we will hold off doing this." Let us not provide the Government with any excuse for not supporting the Bill.

It is iniquitous that a tenant who has fulfilled all their obligations should find themselves in a position where they may lose their home. It is difficult for someone who is renting to ask to see details of their landlord's arrangements with their mortgage provider; that is not something one would ever expect a tenant to do, so such tenants take their tenancy in good faith. The hon. Member for Shipley (Philip Davies), who is no longer in his place, talked about tenancies that are not given in good faith. I have to say to him that a two-month delay is not significant in the grand scheme of a process of repossession, and I am not sure that it is a reason for not supporting the Bill's progress.

James Duddridge: I hate to correct the hon. Lady, but I was the one who made that point and, before doing so, I made it very clear that I fully support the Bill.

Sarah Teather: I thank the hon. Gentleman for his clarification and I am sorry for not recognising that it was he who made that point. It has been a long morning and we are only on the first Bill.

The other point that was made well by a number of hon. Members was that the "notice to occupier" is extremely unlikely ever to get read. Anyone who has lived in an area of high mobility, even if they are an owner-occupier, will be aware of the sheer weight and volume of paper that falls through the letterbox—that applies not only to Liberal Democrat target areas. Plenty of leaflets and notices to occupier that come through letterboxes simply get ignored or, at best, go into the recycling bin. What the Bill does well is to find a practical and simple solution to ensure that tenants should just get the appropriate notice period set out in their tenancy agreement.

In his interventions on the Minister, my hon. Friend the Member for Colchester (Bob Russell) asked whether the reason why we found ourselves in this position was the lack of affordable housing. I think I agree with him, up to a point. Many people live in poor quality, private rented sector accommodation because of a lack of affordable housing. However, part of the reason we find ourselves in this position is that the private rented sector has not been put on an equal footing with other forms of housing. It would be a better and healthier thing for the market if the private rented sector was treated not as a stop-gap between affordable housing for rent and home ownership, but as an option that should be supported to ensure that we have the highest quality and choice available for all.

One point that the Residential Landlords Association made well in its briefing on the Bill is that if tenants find themselves in a position where they might lose their home without being given any kind of notice period, it undermines both the landlords' ability to provide housing and the reputation of the private rented sector. I meet people in my constituency who are on the housing waiting list and could afford to rent privately, but they are afraid of the private rented sector because of the lack of stability. There are also other issues about quality, but this is not the place to deal with them.

Stability is a particular issue for people who have families and those who do not think that their income will go up significantly over the next five years. Those who are in a job in which they have already reached the ceiling on their income want to know that they can keep their home. If the Government's strategy is to support the private rented sector, it is essential that we deal with the issues that arise if tenants find themselves without a home with no notice period whatsoever.

In conclusion, I am extremely supportive of this Bill. I have campaigned on this issue for some time and have questioned most of the previous Housing Ministers on it, urging them to bring forward this legislation. I congratulate the hon. Member for Bolton, South-East

on promoting this Bill. It is a fitting tribute to all his work and commitment. What an amazing achievement it is to have two Bills on the statute book from one's time in Parliament. I hope that the Minister will grant the hon. Gentleman's wish and that of the whole House and ensure that parliamentary time is made available for this Bill. We do not want any excuses from this Government that will allow the Bill to fold. The House is very supportive of it and it must go through.

11.32 am

Dr. Iddon: With the leave of the House, I want to thank all Members in the Chamber this morning and who have supported this Bill, as well as the political parties, in general, for supporting it. It is pretty obvious that this is a desperately needed piece of legislation and we have got that point across.

I want to refer to some simple points made by one or two Members. First, I can assure the hon. Member for Castle Point (Bob Spink), who unfortunately could not remain in his place, that the Bill will cover those tenants whose problems he raised. If lenders take independent proceedings against tenants, those tenants will be covered by the Bill. I thank the hon. Member for Rochford and Southend, East (James Duddridge) for his support, too, and I can offer him a place on the Committee, if he is willing to accept it, so that we can explore a little further the issues that he mentioned this morning. I can assure him, too, that the Bill protects only assured or Rent Act 1977 tenancies; and, of course, holiday lets are excluded from those tenancies. I regret that I can confirm what I said earlier: those tenancies are not covered by the Bill.

I thank the hon. Member for Shipley (Philip Davies) for mentioning the concerns raised by the Council of Mortgage Lenders. He mentioned some technical issues and I think that the best way of dealing with them, especially since he has not been able to remain in his place, is to promise to write to him about all those difficulties and to offer a meeting with him, too. I thank the House for everybody's support this morning.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Sunbeds (Regulation) Bill

Second Reading

11.34 am

Julie Morgan (Cardiff, North) (Lab): I beg to move, That the Bill be now read a Second time.

I am delighted to present this Bill to the House. It is important for many reasons, the first of which is clearly the protection of children. I have been pleased to receive the support of Members from all parties in the House. I am also grateful for the support of the Government and the Minister of State, Department of Health, my hon. Friend the Member for Lincoln (Gillian Merron), who is responsible for public health.

I am grateful to those MPs from my party and other parties who are sponsoring the Bill and, in particular, I thank Cancer Research UK, the British Medical Association, the Chartered Institute of Environmental Health and the Local Government Association for their wholehearted support. At this point, I particularly thank my hon. Friend the Member for Swansea, East (Mrs. James), who has campaigned tirelessly on the issue for many years. I was lucky enough to draw No. 5 in the ballot for private Members' Bills. She has done a lot of the work over many years, so we are working together to try to get this Bill through the House.

I also want to thank all those Members who have signed early-day motion 537. Today, the number of signatures is 164. As all Members know, that is a large number of signatures for an early-day motion, so I am thankful for the support of so many people throughout the House.

It is also clear that this Bill will be popular with the public. Some 87 per cent. of the UK public believe that those aged under 18 should not use sunbeds. I am pleased to report that I went with other Members to No. 10 Downing street this week to hand in a petition signed by more than 10,000 people thanks to *The Sun* newspaper, which has run a long, vigorous campaign on the issue, too.

The Bill is very important, as the intention is to protect young people. The Bill aims to prevent under-18s from accessing sunbeds, seeks to create a duty on sunbed businesses to prevent the use of sunbeds by under-18s and gives local enforcement officers powers to inspect salons and penalise salon operators if under-18s are found to be using sunbeds. It also contains provisions to introduce regulations to ensure that under-18s cannot hire or buy sunbeds, that all sunbed salons are staffed and that clear and accurate health information is displayed in all salons and other places where sunbeds are used for commercial purposes. The Bill recognises that adults are free to make their own decisions about sunbed use, but they should also know what dangers are involved. That is why, under the regulations, there will be a requirement that health information should be made available.

It is also very important that the Bill would prevent operators from advertising unsupported benefits of sunbed use and ensure that all adult sunbed users wear protective eyewear when using a sunbed in a commercial setting. I must point out strongly that the Bill is not regulation for the sake of it. The sunbed industry has already tried to self-regulate and it has failed. Self-regulation has not

[Julie Morgan]

worked. The Bill is about protecting young people and giving people the information they need to make an informed choice.

Bob Spink (Castle Point) (Ind): I warmly congratulate the hon. Lady on her Bill. It is a small measure but an important one. Does she agree that teenagers often feel invincible? They are not sufficiently risk-averse, and the Bill will not only inform them and control the industry, but give parents power and leverage over their youngsters so that they can guide them correctly.

Julie Morgan: I thank the hon. Gentleman for that important intervention. There is ample evidence that under-18s use sunbeds without their parents' permission and against their parents' wishes. The Bill would help to deal with that issue.

Philip Davies (Shipley) (Con): Has the hon. Lady given any thought to trying other measures before we go for the nuclear option of an outright ban? For example, we could do the same as some 29 states in America where under-18s are required to obtain parental permission before they are allowed to use a sunbed.

Julie Morgan: There has been every opportunity to introduce voluntary measures, but clearly they have failed. As I said earlier, if unstaffed sunbeds remain, it will never be possible to stop under-18s using them. If the premises are not staffed, even if young people went along with something from a parent, who would see the permission? The hon. Gentleman raises an important issue, but we have reached the end of the voluntary road.

Philip Davies: This is a useful debate and I am grateful to the hon. Lady for engaging in it. Her Bill, as she made clear, regulates to ensure that there will be no more unmanned sunbed shops. If that part of her Bill went forward, would it not enable us to try parental permission first before going to the nuclear option of an outright ban?

Julie Morgan: That would not be the way forward. We have already reached the stage when we need legislation. I thank the hon. Gentleman for raising an important point of discussion.

Bob Spink: Does the hon. Lady accept that although the parental permission route may have worked in several US states, the culture there is quite different? Youngsters are prohibited from drinking, and the prohibition is actually obeyed. The parental permission route would not work in the UK as it does in the USA because of that cultural difference.

Julie Morgan: Yes, that is an important point. I thank the hon. Gentleman.

Caroline Flint (Don Valley) (Lab): Is it not the case that the younger a person is when they start to use sunbeds, the greater the repercussions and consequences for their health? Whether they have parental permission or not, if they start to use sunbeds regularly between the ages of 13 and 17, they face a lifetime of potential damage and possibly death from cancer.

Julie Morgan: My right hon. Friend makes an important point and I shall provide evidence about the number of young people using sunbeds.

Bob Spink: The intervention from the right hon. Member for Don Valley (Caroline Flint) was telling. It has been established that a vast number of skin cancers that occur later in life are caused by exposure during the teenage years, and no doubt the hon. Member for Cardiff, North will go into those facts. Could she add a small clause to the Bill to force her Government, or a new Government, to remove VAT from sun creams that are health care and not cosmetic products?

Julie Morgan: I thank the hon. Gentleman for that intervention. I shall now talk about the strong evidence base for the Bill.

Research commissioned by Cancer Research UK last year found that, in England, 6 per cent. of 11 to 17-year-olds—more than 250,000 children—had used sunbeds. That is a shocking statistic. There are worrying hot spots, particularly in places such as Liverpool and Sunderland where 50 per cent. of 15 to 17-year-old girls are using sunbeds. In Wales, 8 per cent. of children aged between 11 and 17 have used a sunbed, and the figure is more than one in five for girls aged between 15 and 17.

Malignant melanoma, the most dangerous form of skin cancer, is increasing at an alarming rate across the UK. Sunbed use, particularly by those aged under 35, significantly increases the risk of developing skin cancer in later life, as my right hon. Friend the Member for Don Valley (Caroline Flint) said. About 2,000 people each year die from malignant melanoma and it is now the most common cancer in young adults aged 15 to 34. People from the most affluent areas have better malignant melanoma survival rates than those from deprived areas. The evidence for taking stronger action on sunbeds is clear.

Jessica Morden (Newport, East) (Lab): My hon. Friend makes an excellent argument on the health issues, but does she agree that there is also the issue of personal safety, with predominantly young women in unmanned salons who, if they were to receive unwelcome attention, have no assurance from the industry about how long any security would take to get to them?

Julie Morgan: I thank my hon. Friend for her intervention. That is an important consideration.

The International Agency for Research on Cancer has reclassified sunbeds and placed them in its highest cancer risk category, alongside tobacco. We have all accepted the dangers of tobacco and almost universally support the work that the Government have done on the tobacco issue. The independent Health Protection Agency's Committee on Medical Aspects of Radiation in the Environment—COMARE—has recommended that the Government take strong action to protect young people from the dangers of using sunbeds. The European Union believes that under-18s should not use sunbeds and the US Food and Drug Administration is considering taking stronger action on them.

The International Agency for Research on Cancer, which is part of the World Health Organisation, upgraded its assessment of sunbeds to its highest level of cancer risk, with the conclusion:

"the risk of skin melanoma is increased by 75 per cent. when use of tanning devices starts before 30 years of age".

We need to take that conclusion seriously.

It is clear that the sunbed industry has not regulated itself well up till now. Voluntary regulation is inconsistent and largely unmonitored. A lack of supervision or care means that young people regularly access sunbeds. Cancer Research UK has done a great deal of research with young people and has been told:

"I've gone in my school uniform but I was fine and I was only 14"

and

"they didn't ask my age because we went with my friend's sister."

Signs from which customers can infer only that sunbeds are good for their health can still be found outside tanning salons around the country. Promoting unsupported benefits of sunbeds is irresponsible when we know that they significantly increase the risk of malignant melanoma, as well as prematurely ageing the skin.

Mrs. Betty Williams (Conwy) (Lab): My hon. Friend gave an example of a schoolgirl attending a sunbed salon. Does that indicate that there could be many instances where untrained members of staff are looking after the salons, which is an added problem?

Julie Morgan: I thank my hon. Friend for that intervention. There are certainly examples of untrained people supervising sunbed use, where there is anyone supervising it at all. That means that young people—14-year-olds and young people in school uniform, as I said—can easily access sunbeds.

Mrs. Siân C. James (Swansea, East) (Lab): Is my hon. Friend aware that a recent BBC programme in the south-west took two 14-year-olds into an unstaffed salon in that area, where the cleaner helped the young women and showed them how to put their money into a slot machine and how to operate the machinery? That is an example of unstaffed and unsupervised salons, and untrained staff.

Julie Morgan: My hon. Friend, who has worked so hard on the issue, has brought a shocking incident to the attention of the House.

Caroline Flint: Thinking about the way in which tanning salons are promoted, they are almost pop-up businesses. Anyone can rent a unit and set themselves up. Will my hon. Friend comment on the fact that sunbed use is often presented as a cheap option—I understand that 15p has been charged for a couple of minutes on the machines—and that research found that young people got addicted? As soon as the tan went, they wanted to top it up, so although it is quite inexpensive, they are lured in to do more and more tanning, to the detriment of their future health?

Julie Morgan: Yes, there are many examples of young people who become addicted and feel that they cannot manage unless they go to a salon continually. They might think of going once a month, but they end up going once—and sometimes more than once—a week. We know that such activity is extremely dangerous because of its long-term consequences, so I thank my right hon. Friend for that intervention.

COMARE also emphasises that sunbeds are not a safe way of obtaining vitamin D

"due to the potential carcinogenicity and the high frequency of acute side-effects."

By using them, people risk becoming sunburnt and damaging their skin. In south Wales, we had a very troubling example of a young woman aged 14 who went expressly against her parents' wishes to an unstaffed sunbed salon and suffered 70 per cent. burns. That was absolutely horrific, and through this legislation we want to try to prevent such incidents from occurring.

The UK's national skin cancer prevention campaign, SunSmart, says that

"the amount of sun needed to make enough vitamin D is always less than the amounts that cause tanning."

We do not need a sunbed to get our vitamins. Any assumption that we do is mistaken. I am concerned, because young people believe that they are doing no more damage to their skin on a sunbed than they are if they step out their house on a sunny day, but we know that sunbeds are much more dangerous.

The Secretary of State for Health and the Welsh Assembly Health Minister, Edwina Hart AM, are committed to introducing regulations if the Bill is passed. I am very pleased that it covers England and Wales, and that we have such strong support from the two Governments and, in particular, those Ministers.

Several colleagues have raised questions about the impact of the legislation on small businesses during the recession.

Mrs. Betty Williams: Before my hon. Friend moves on to another topic, I must note that she mentioned the discussions between the Department of Health and the Welsh Assembly. Are similar discussions about this very important issue taking place with other devolved Administrations? We should not have one rule for England and Wales only, because the rest of the UK is just as important.

Julie Morgan: I thank my hon. Friend for that intervention. Scotland is certainly ahead of us, because it has already introduced such legislation.

If Ministers introduce regulations, there will be consultation on the provisions for coin-operated sunbeds and the display of health information. When we launched the Bill, the Secretary of State promised an extensive consultation with the sunbed industry. It is important to note that the Sunbed Association, which represents those parts of the sunbed industry with supervised tanning salons, supports the Bill.

Laura Moffatt (Crawley) (Lab): I congratulate my hon. Friend on introducing this fantastic Bill, which I sincerely hope becomes law. Does she agree that her actions will not just protect young people, but have the wider effect of giving people much more information about the dangers of sunbeds? We hope that the legislation will protect 16 to 18-year-olds, but parents may not understand why they should not let their daughters—it is mostly daughters—go on sunbeds that none of us should be using.

Julie Morgan: If the regulations are introduced, the required information will represent a major step in that direction.

The legislation is a not a move to inflict unnecessary new regulations on industry; it is about protecting children and giving people the right information to which my hon. Friend refers. They need that information when they make choices affecting their health. There will be

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ample opportunity for the industry to have its say, and I am pleased that the main body for the industry has thrown its support behind the Bill.

The Bill will also make it easier for trading standards inspectors to check that businesses are compliant with existing regulations. We know from COMARE that

"the irradiance from sunbeds can vary greatly",

and that

"in recent years, sunbeds have been produced that are too powerful for the type 3 classification",

which is

"the only class...suitable for general use in commercial sunbed outlets."

Today we have the chance to decide what is the most important thing to do, and I think it is the protection of our young people.

At the launch of the Bill, I met a lady from Liverpool called Justine Shiels. Justine started using sunbeds at the age of 15 to get a tan before the summer holidays. In fact, I have often heard people say that they need to build up their tan before the summer holidays and then top it up again afterwards. At 32, she was diagnosed with malignant melanoma and had serious operations to remove two tumours from her chest and head. Justine came to the launch because she hopes that her story will help other young people to think about what using sunbeds is doing to their skin. She sees teenage girls in their school uniforms going into salons that she used to use, and she hopes that the Bill will succeed so that others will not have to go through what she has gone through over the past four years.

Sandra Gidley (Romsey) (LD): I congratulate the hon. Lady on introducing this Bill, and I am very pleased to support it. Does she think that there is a wider issue involved? Girls go along to these places because they think it is fashionable, and teenagers' and women's magazines have a huge part to play in that. I probably have an interest as a pale-faced, befreckled redhead, but I find it frustrating that it is always trendy to be tanned. The sooner we can get out of this mindset that a brown skin is a healthy skin, the better; we would all be a lot better off if we could accept how we are.

Julie Morgan: I thank the hon. Lady for her supportive intervention; that would be a good situation to arrive at.

I want to say again that this is not about regulating for the sake of it. We must protect our children from an activity that can, as we have heard, become seriously and dangerously addictive. I hope hon. Members have seen the briefing from Cancer Research UK, which I thank for its endless work on the issue. It carried out some focus group research with young people under 18, who said for example that they went

"twice a week with my sister—I'm a bit of an addict, I have a block booking";

and

"I couldn't see myself going pale again",

reflecting the point made by the hon. Member for Romsey (Sandra Gidley); and

"It's a bit addictive, once you see your tan starting to fade, you need to go back and top it up";

and

"I went through a phase where I would just not come off them—and I'd keep getting a block booking and going on them...I just loved it."

In Wales, a further 16 per cent. of the young people interviewed for Cancer Research UK said that although they have not yet used a sunbed, they may do so in future. In addition, one in five children who use sunbeds do so at least once a week. Anecdotally, I understand that it is not only young girls feeling the pressure to get a tan—young men are increasingly using sunbeds as well. This is a problem among our young people, and it requires action now.

It is important to point out that other countries are taking action. There is specific legislation on sunbed use in Belgium, Finland, France, Norway, Portugal, Spain and Sweden. In Scotland, action has been taken in the Public Health etc. (Scotland) Act 2008, which contains measures to better regulate the sunbed industry, including a prohibition on the use of sunbeds by under-18s. It is very important that we protect under-18s in England and Wales as well. Why should minimum health, safety and good practice guidelines be met in other countries, but not here? We must recognise that under-18s are still able to use sunbeds with ease in England and Wales, often in coin-operated, unsupervised salons. We have a duty to act.

We also have a duty to act on public opinion, remembering that 87 per cent. of the public support banning under-18s from using sunbeds.

Caroline Flint: My hon. Friend has done a great service to the House in securing this private Member's Bill. I have had conversations with many people who could not believe that under-18s had unlimited access to such tanning provision. It is sometimes right that we take affirmative action, in a positive way, instead of always being held back by the sense that the nanny state is imposing too much. I found that the more the public knew about this terrible situation, the more they woke up to the fact that something that they thought was regulated was certainly not.

Julie Morgan: That is an essential point to make. It is important that the House supports the Bill, because we have the support of the public and all the organisations involved in the field. The only effective way to prevent under-18s from using sunbeds is to ensure that salons are supervised, and the only way to ensure that adults can make informed choices is to ensure that information is available to them at the time of use.

There has been a tremendous campaign to get legislation such as this on the statute book and we have had support from a wide range of people. We have a real opportunity to protect children from sunbeds. The Bill could save lives. I hope that Members will support it today, and I commend it to the House.

12.1 pm

Philip Davies (Shipley) (Con): I begin by congratulating the hon. Member for Cardiff, North (Julie Morgan) on her success in the ballot and on introducing the Bill. I do not doubt that she has identified a matter that needs some sort of action, that there is a problem or

that she has introduced the Bill with the very best of intentions to improve public health in this country. I certainly do not quibble with her about that. I am in no doubt that the Bill will be given a Second Reading and will progress to Committee.

However, in debates such as this, particularly when it is trumpeted that 87 per cent. of the public support something, and especially in the run-up to a general election, everybody wishes to be on the popular side of the argument. Unfortunately, in too many cases, the other side of the argument is not put. For the sake of balance, it is important to put some other points forward, so that the House can at least consider them. At the end of the debate the House may well decide that the hon. Lady's Bill is the right way forward and the best method, but it is important that we consider other points to try to get some balance.

It is slightly surprising to hear Labour Members argue, "Well, we must do this because such a large proportion of the population are in favour of it." I could cite at length—you will be relieved to know that I will not, Madam Deputy Speaker—a large number of issues on which there is considerable support for a course of action that Labour Members would die in a ditch to prevent from being brought into law. I mention in passing capital punishment. It has popular support in this country, but I am not aware of any Labour Members standing up in the House and saying that we should bring it back because a vast majority of people are in favour of it. I understand why they decided to use that argument in relation to the Bill, but I am not sure that they are entirely consistent in using it.

There are clearly health issues to consider with regard to the use of sunbeds. The hon. Lady mentioned the various cancer charities and organisations that support the Bill, because they see at first hand the problems of skin cancer to which sunbed use contributes. Those points are very well made.

The point at issue, as with all such matters, is not really whether sunbed use is or is not a problem, but whether the measure is proportionate. That is where discussion should focus. We all accept that there is a problem with sunbed use; we are arguing not about the science, but whether, at this stage, we need to introduce a ban on under-18s using sunbeds. I am delighted that the hon. Member for Cardiff, North implied—she will correct me if I am wrong—that she accepted the principle that, although sunbed use is undoubtedly bad for adults in some cases, people who are over 18 are capable of making their own decisions.

Although the hon. Lady made valuable points about information so that people can make an informed choice, she accepts—I think it is the general consensus—that people over 18 are capable of making decisions about whether they want to take the risks involved in sunbed use, and that is why the Bill covers only under-18s. I have a great deal of sympathy with that, because we in this place need to protect children who are not at an age when they are capable of making an informed decision.

However, I have several worries about the Bill. The first is the slippery slope. Some of the arguments that were deployed in various interventions on the hon. Lady's speech were not for banning sunbeds for under-18s, but for banning sunbeds. I therefore wonder whether this is the first stage of a plan to ban sunbed use altogether.

Sarah Teather (Brent, East) (LD): There is an analogy with smoking. No one argues for banning smoking altogether—at least, not at this stage; perhaps some hon. Members would argue for that—but we ban it for children, because it is harmful. Are not the positions analogous?

Philip Davies: Yes. However, the hon. Lady should be aware that many hon. Members would like to ban smoking and that only thing that stops them is public opinion. If she attended the debates on banning smoking in public places, through which I sat on many occasions, she knows that the arguments deployed were not for a ban on smoking in public places, but for a ban on smoking altogether. There is no doubt that some hon. Members would love to go down that route.

Sarah Teather: The fact that some people want to ban smoking is not an argument for not banning smoking for children. Presumably the hon. Gentleman does not disagree that we should stop children smoking.

Philip Davies: I do not disagree with that. I merely highlight the salami-slicer effect of legislation in this place. People who have agendas further down the line use measures such as the Bill as a Trojan horse, which enables them to pursue their other agenda later. Sometimes lines in the sand need to be drawn. I always took the view that I was not elected to Parliament to ban everyone else in the country from doing everything that I do not happen to like. I thought that my duty was to preserve people's individual freedoms. In my short time in the House, I have learned that some hon. Members believe that they come to Parliament to do nothing but ban people from doing everything that they do not happen to like. I want to try to prevent that erosion of our freedoms.

Hon. Members, particularly on one side of the House, are good at trying to ban people from doing things. I object to that nanny-state approach, whereby we have to impose our views and beliefs on everybody else in the country and are not prepared to let people make up their own minds. I do not believe that Parliament should operate in that way. I would like to think that, as well as trying to protect children, which is a perfectly worthy aim for Members of Parliament, we consider protecting people's freedoms a worthy aim. I regret that that does not happen as often as I would like. The question is whether or not an outright ban is the way to go, but it appears to be the first option.

The hon. Member for Cardiff, North said, quite rightly, that we have tried a voluntary code. There are many decent sunbed operators who do not try to breach the code. They behave extremely responsibly, and there is no particular problem with their operations. We ought to put on record the fact that there are many responsible outlets that do a very good job of protecting children. I would not want us to run away with the idea that this is, in total, an irresponsible industry, because that is not the case. The question is therefore whether or not we ought to adopt the measures in the Bill.

The hon. Lady claims that the voluntary code has not worked. Whether or not that is the case, it has not worked to the extent that she would like. When there is a disagreement, and someone wants to use their artillery to try to make their case, the first weapon of choice

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should not be the nuclear option. It seems to me that the nuclear weapon in all these debates is a ban. I am slightly nervous about the fact that after the voluntary code, the next weapon that we take from our artillery is the nuclear option of a ban. I wonder whether other measures could be used to do the job that the hon. Lady is seeking to do, without banning under-18s from using sunbeds.

I shall come on to discuss the ban. The hon. Lady did not mention it, but it extends beyond a ban on under-18s using sunbeds to children being banned from being in a room in which there is a sunbed. Other measures could have been tried first, such as the one that I mentioned in my intervention. Some 29 American states that recognise the problems caused by sunbed use and want to protect children have introduced a system to tackle the problem. In three states, there are provisions on sunbed use for under-16s; in other states, there is a ban for under-15s; and in others, there is a ban for under-18s. In all cases, people under the stipulated age require parental permission before they can use a sunbed. As a first stage in the process, trying a system of parental permission might be more appropriate. If we reach the stage at which parental permission is still not doing the job that the hon. Lady wants or that cancer charities think necessary, we can revisit the issue.

I am slightly nervous about going straight for an outright ban. We need to consider the wider picture, which is why I have mentioned parental permission. On so many issues, we send out the wrong message to parents. The premise appears to be—I am sure that many hon. Members disagree with me and will seek to correct me—that the problem with parental permission is that some parents are totally irresponsible, so we have to protect their children. That argument is used to explain why we do not allow parents responsibility on other issues, but I think it is extremely dangerous to go down that route. It instils a culture in which we say to parents, "It doesn't matter what you do. It doesn't matter how you bring up your children or whether you take responsibility for this, that or the other. If you don't do it, the state will do it for you." We have seen in recent years how dangerous that route is.

Surely all hon. Members want parents to take responsibility for their children. The only way in which we can make parents take such responsibility is to give them that responsibility. Rather than saying to parents, "It doesn't matter what you do, the state will deal with it for you," it would be far better for this country in the long term if we said to parents, "Being a parent is a very very responsible thing. There are certain things that you are responsible for that the state is not going to do on your behalf. You must take responsibility for your own children, because if you don't, no one else will." Society would be far better if parents knew that being a parent involved responsibility, that they could not farm out their responsibilities to all and sundry, and that they had to take those responsibilities for themselves.

My fear is that the Bill is yet another nail in the coffin of parental responsibility, where the state decides that it does not really matter what parents think or do, because it will take over the running of their children's lives. Whatever the merits of the measure, I worry about the long-term consequences of such an attitude towards public policy on children. As we have seen in recent weeks, there are many cases where we despair at parents' lack of responsibility, but taking more responsibility away does not help to address that.

I ask the hon. Lady to think again about some of the measures in the Bill. I have no doubt that the Bill will be given a Second Reading and go into Committee, but some parts of it are somewhat excessive. Clause 2, on the duty to prevent sunbed use by children, prevents their entering a "restricted zone". I am sure that the hon. Lady will correct me if I am wrong, but it seems that the Bill not only prevents under-18s from using sunbeds, but does not allow them to be in the same room as a sunbed. If the sunbed is in a big area rather than a private room, the restricted zone becomes the whole area.

That is my understanding of the measure. Whatever the merits of banning under-18s from using sunbeds, it seems a bit over the top for a whole host of reasons to ban people even from being in a room where there is a sunbed. If a sunbed is in a big, wide open space, other things might be going on at the same time. For argument's sake, let us say that fitness gadgets are available for people to use in the same room. I often hear Members on both sides of the House lecturing people on how they should do more exercise and saying what a shocking problem obesity is in this country. It would be perverse, when we are supposed to be dealing with the problem of obesity, if a Bill that is supposed to stop children using sunbeds ended up preventing them from using exercise bikes or other fitness equipment. I wonder what on earth we are doing. I would like to think that, on reflection, hon. Members would agree that that is slightly perverse and probably somewhat excessive.

As we have said, adults can make up their own minds about whether they wish to take the risk of using a sunbed. A parent may decide to use a sunbed while they are looking after their young children. The best way for a parent to know that a child is safe is for the child to be sitting in the same room while the sunbed is being used, rather than the child being carted off somewhere else. So why would we want to ban children from being in the same room as a sunbed? If parents wish to use a sunbed, it is understandable that they may wish to have their children close by. In Committee—I fully expect the Bill to make it into Committee—I hope that the hon. Lady will look again at some of these points. I hope that on reflection she will accept that some aspects of the Bill are excessive and might have some perverse outcomes.

The Bill also includes penalties. The punishment for failing to comply with its requirements is a fine of up to £20,000, which seems excessive to me. However, I seek the hon. Lady's guidance on an apparent contradiction. On the one hand, the Bill suggests that it does not matter if the offender intended for the under-18 to use or be in the same room as a sunbed or took steps to prevent that from happening, because he or she would still be guilty under the provisions of the Bill. On the other hand, the Bill also appears to include a due diligence defence. If someone takes steps to prevent something from happening, they have a due diligence defence, so I do not understand that. I shall give the hon. Lady an example to try to illustrate my point.

I used to work in retail, which has many age restrictions connected with the sale of goods. For example, alcohol may not be sold to under-18s. If a retailer is charged

with selling alcohol to someone aged under 18, they have a due diligence defence if, for example, they can produce training material that shows they train their staff not to do that and refresh that training each year. In that case, the retailer can argue that they took all reasonable steps to prevent alcohol from being sold to an under-age customer. That is only fair, if the retailer has done everything possible to stop such sales.

I hope the hon. Lady will clarify the due diligence defence and confirm that if the owner of a salon could demonstrate that they had taken all possible precautions to prevent an under-18 from using a sunbed, but they still had, it would qualify as a due diligence defence under the Bill. It is important to try to help responsible operators who are trying to do their best, instead of lumping them in with those who are not taking reasonable steps. The first part of the Bill, which says that it does not really matter whether anybody takes any steps to prevent the offence from taking place, is not particularly helpful. I hope that on reflection she will introduce measures in the Bill to clarify that those operators who do everything possible to prevent under-18s from using sunbeds will be protected and ensure that her fire, so to speak, is directed against those retailers whom she might consider to be more irresponsible.

It is important to point out that the hon. Lady includes an exemption from the requirements in the Bill for those who use sunbeds for medical treatment. That is a useful and sensible provision because, as she rightly recognises, some people are encouraged to use a sunbed on occasions, for their skin complaints or whatever it might be. It would have been perverse if the Bill had prevented sunbeds from being used for legitimate medical purposes if a doctor had encouraged such behaviour.

I want to run through some of the research, because that will help to determine whether the measures in the Bill are proportionate. However, we perhaps lack strong recent research—proper, independent research—into the extent of the problem. That includes research not just on how many people use sunbeds—the hon. Lady went through the figures for that—but on the nature of their use, how long people tend to use them for, how many times a year they use them, whether they use them at home or in salons, and people's patterns of use. At this stage it seems that we lack strong, independent research on those issues.

In 1995, the Health Education Authority published the results of a survey of suntanning and sunbed use, which was commissioned by the Department of Health. Based on the results of that survey, and using the British Photodermatology Group's recommendation that people have

"not more than 20 sessions per year of up to 30 minutes for each session",

that research concluded that

"people were putting themselves at risk by using sunbeds too often and for too long,"

and that

"the public needed more information about the risks of using sunbeds."

The reason I mention that is that one of the Members on the Government Benches—it might have been the right hon. Member for Don Valley (Caroline Flint), but it might not; she will no doubt correct me if it was not her—mentioned evidence that some salons are still advertising the health benefits of using sunbeds, which is irresponsible. *[Interruption.]* It was not the right hon. Lady who said that; I do apologise.

On the proportionality of the Bill, the hon. Member for Brent, East (Sarah Teather) mentioned the analogy with smoking. I just wonder whether requirements for health warnings would be a better first step, along with making parental responsibility part of the solution. Before we resort to the nuclear option of introducing an outright ban, part of the solution might be to ensure that sunbed operators do not market their products in such an irresponsible way, but have to give clear warnings to people about the dangers of sunbed use, which under-18s would be able to read just as easily as adults. If such irresponsible marketing is being used, we have an opportunity to make a big difference with the messages that we give to people before they use sunbeds. We could have regulations about the size and nature of the warnings, for example, just as we do with the warnings on cigarettes. I therefore ask people to consider whether other steps could be taken before we impose an outright ban.

Other research into the use of sunbeds was carried out in 1996 by the Sunbed Association. Obviously, that was some years ago, so I am not sure whether the figures are still relevant. However, it is the best information that I have. If other Members have more up-to-date research, perhaps they will be able to catch your eye later, Madam Deputy Speaker, and give us the benefit of it. At that time, there was a great interest in getting a tan, with 51 per cent. of respondents saying that they had either used a sunbed or intended to do so. Only 7 per cent. of respondents had used one during the previous 12 months, however. The hon. Member for Cardiff, North made the valid point that this is not an issue only for women. They are the majority users of sunbeds, but by no means the only ones. The research found that 9 per cent. of women and 5 per cent. of men—giving an average of 7 per cent. of the population as a whole—had used a sunbed in the previous 12 months.

It was interesting to discover why people felt that using a sunbed would be of benefit to them. The irony is that the word "healthier" appeared in many people's responses to that question. The research found that 58 per cent. were using a sunbed because they wanted to look healthier, and that 34 per cent. were doing so because they wanted to feel healthier. They felt that using a sunbed would help them to achieve those things. There is a slight irony in that.

Some important facts about the extent of the problem need to be borne in mind, and we need to ask how far the Bill will go towards solving it. The vast majority—89 per cent.—of local authority or private sector sunbed users had fewer than 20 sessions a year, and about half had only 10 sessions or fewer per year. I would venture to suggest, therefore, that the extent of sunbed use is not so great that we should impose an outright ban for under-18s.

Crucially, the research found that, while 89 per cent. of local authority and private sector users took fewer than 20 sessions a year, only 71 per cent. of people with a sunbed at home took fewer than 20 sessions a year. That brings me to a potential flaw in the Bill, because it makes no provision for sunbed use in people's own homes. I wonder whether it might create a perverse incentive, in that people who were no longer permitted

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to use a tanning shop or even be on the premises might persuade their parents to get a sunbed at home instead. The research shows that sunbed use is much more dangerous for those with a sunbed at home, because it is there and it has already been paid for so they can use it whenever they want to, rather than having to make an effort to go out and pay to use one each time. Has any assessment been made of the likely effect of a ban on the use of sunbeds at home? We might, despite having the best of intentions, be letting the genie out of the bottle and making the problem worse.

The research also found that 85 per cent. of all users took sessions of 30 minutes or less, and that 95 per cent. did not exceed the European standard that pertained at the time, so it would be dangerous to run away with the idea that many people are using sunbeds for hugely excessive time periods. By definition, some people will be doing so, but I wonder about the extent of such use. Thus, I wonder, again, whether the Bill is proportionate in dealing with the particular problem.

Crucial to this research was the issue of where people use sunbeds. I accept that the figures I am using are out of date, but I am not sure whether more up-to-date figures from independent research exist.

Mr. Bruce George (Walsall, South) (Lab): There are lots.

Philip Davies: The right hon. Gentleman will be able to catch Mr. Deputy Speaker's eye and give us the benefit—

Mr. George: Soon.

Philip Davies: The right hon. Gentleman is a long-standing and distinguished parliamentarian, so I hope he does not think that just because he believes something is good or bad the whole House's proceedings should collapse and we should not debate an issue. I hope he does not think that we should suspend our critical faculties just on the basis of his particular view. If that is his view, it is an interesting view of parliamentary democracy. I would have thought he believed that the whole point of a parliamentary democracy was that issues are debated. In the absence of many—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. That is a very interesting little diversion, but I think that we can now move back to the Bill. That might speed the opportunity for other people to participate in this debate.

Philip Davies: Thank you very much, Mr. Deputy Speaker. I am delighted by your intervention to prevent my being sidetracked by unhelpful sedentary interventions from the right hon. Member for Walsall, South (Mr. George).

The crucial issue is where people use sunbeds. That comes back to a point I made earlier, because obviously the Bill will affect only the people who use sunbeds in the private or local authority sector. This particular research showed that 60 per cent. of users were using sunbeds either at their own home or somebody else's. The figure may not be as high now, and I appreciate that since this research was carried out the cost of sunbed sessions in the private sector has, as the right hon. Member for Don Valley said, become considerably cheaper and that that will encourage more people to use those facilities. However, if an awful lot of people are using sunbeds at home and they are doing so for far longer periods and far more often than the people who use them elsewhere, perhaps the people the hon. Member for Cardiff, North is trying to protect will not be protected by her Bill. All that she may well be doing is inconveniencing lots of people who use sunbeds so infrequently that it is not causing them a big problem, while the sunbed users who have a big problem fall outside the scope of her Bill. The research found that 43 per cent. of users owned their own sunbed and 16 per cent. of users hired one. We need to consider these issues. However popular the Bill might be, we need to consider whether it is proportionate and whether it will be effective in bringing about the result that the hon. Lady wishes.

I do not intend to delay the House for much longer, but I should say that we must accept that sunbeds can have health benefits for some people and that an important issue of choice is involved here. Indeed, only last year, Lord Darzi said that

"perceived health benefits...relative to health risks, is a matter about which individuals make their own choices."—[*Official Report, House of Lords,* 1 June 2009; Vol. 711, c. WA58.]

I hope that we all agree with that sentiment. The issue is who is in the best position to decide what is in the best interests of under-18s and to decide who should take responsibility for their actions. The hon. Lady and her party seem often to take the view that the best person to determine what is best for children is the state. I argue that, for the good of society as a whole, it is best, wherever possible, to give parents responsibility for their own children because, as I have said, the dangers of not doing so are there for all to see.

Although I expect the Bill to get a Second Reading, I hope that the hon. Member for Cardiff, North will reflect on two points. First, is it proportionate to go straight to a ban or should we try some other measures instead, such as requiring parental permission to be given through written consent or making health warning notices available? I certainly agree with her about ensuring that premises are staffed so that under-18s can be prevented from using sunbeds. That seems to be a sensible situation. So will she consider whether there are other things that we can do? Secondly, will she consider whether some of the measures in the Bill are slightly over the top, particularly those that ban under-18s from being in the same room as a sunbed? I hope she will give serious consideration to that because, despite her best intentions, if some of those issues are not ironed out they will make her good intentions less valuable, as they make the Bill somewhat flawed.

I do not want to block the passage of the Bill at this stage, but I hope that hon. Members will remember that there are always two sides to an argument.

12.41 pm

Mrs. Siân C. James (Swansea, East) (Lab): I speak today as a long-term campaigner on the dangers of sunbeds. My attention was initially drawn to the issue by the number of young people who frequented a shop a few doors away from my then constituency office. I was fascinated that so many young people appeared to be going in and out of the store and when I asked

parents in and around the area what was going on, I was shocked to discover that it was an unstaffed, unsupervised coin-operated salon. That was a new initiative—it was not something that I had come across—and I asked myself two questions. First, if it was unsupervised, who was there to give young people appropriate advice about using the machines about what was appropriate for their skin colour and the length of time for which they should be on the sunbed? Secondly—this was the most important question—was it dangerous?

My hon. Friend the Member for Cardiff, North (Julie Morgan) introduced the Bill. I wholeheartedly support her and am very grateful to her for taking it on. I remind the House that the Bill enjoys support from the Government and is sponsored by a cross-party group of MPs, including a former Health Secretary, the Chair of the Select Committee on Health, the chair of the all-party group on cancer and the Liberal Democrat shadow Health Minister. More than 160 MPs from all parties have signed the most recent early-day motion. This issue is one of those that has generated the most debate when I have talked to colleagues and to people in my constituency, who are wholeheartedly behind me.

Nia Griffith (Llanelli) (Lab): Has my hon. Friend shared my experience in discovering that people who have no idea that there is no supervision are utterly shocked by that fact? Everybody I have talked to has been horrified, as they assumed that all these places were supervised. It has been a real revelation.

Mrs. James: Two hon. Members mentioned the Sunbed Association, with which I have been working very closely from day one. It does not want the unregulated end of the market. It does not want young people to put themselves at risk and it has been very supportive. Concerns have been raised about the regulation of business and allowing an industry to operate in the correct manner. This is not about getting at an industry, but about doing what is right and providing members of the public with an appropriate service. I do not think that it is appropriate to allow young people, or any member of the public, merely to go in and read a few posters, which, in many cases, can be misleading—on some occasions, they can be downright misleading, stating that it is healthy to use sunbeds—rather than having someone there to give that advice. It is shocking and it is not good enough.

The academic evidence is overwhelming. The COMARE report on the carcinogenic levels related to sunbed use is horrific. It frightened me as a parent and a grandparent. When I consider the number of soap stars, pop stars and sports stars who use sunbeds without thought, and their influence on young people, I realise that we need to get the message across.

I take on board what has been said about a campaign. There has been a campaign. The Health and Safety Executive guidelines have been updated. The use of sunbeds has been included in the SunSmart campaign. In many cases, young people do not make the link between going out in the sun and using a sunbed. They think that a sunbed is safer and healthier.

There have been questions about health benefits. People say they feel better and look better with a tan. That is a complete fallacy. When one has been in the sun, there is a short-term benefit—a plumping of the skin and a rosy glow. But the effect is short-lived. People are not healthier, they just feel a bit better because they have seen some sun. It is a very short-term health benefit.

The Bill allows for cases when the use of sunbeds or sun lamps is appropriate. In my office, I have a photograph of the youngest tanorexic in my constituency: a three-day-old premature baby wearing a tiny pair of goggles who has to go under a sun lamp. That is entirely appropriate.

Cancer Research has worked closely with me and my colleagues and has provided much information. As we worked our way through it and considered how we could work with the industry to encourage it to take up safer guidelines and regulate itself, it was clear that nothing would happen voluntarily.

The industry has good operators; there are several in my constituency. They turn away young people. They ask the right questions, give proper advice and are very cross when they see young people immediately walk out of their salons and go to the nearest unstaffed, unsupervised salon where young people can feed the machine for as little as 25p a minute. Such salons are totally unregulated.

When we launched the Bill earlier this month, I was delighted to hear my right hon. Friend the Secretary of State for Health offer his support for it and suggest that he would introduce regulation to tackle the unstaffed salon end of the market as soon as possible after it was passed. I warmly welcome his ministerial commitment, not only to introduce regulation once the Bill has completed its journey but to work with the industry to protect young people. I know that the Sunbed Association and the responsible end of the sun salon industry want to work with us.

Many operators in the unstaffed salon end of the market are not responsible. There is a job-creation opportunity for members of the public visiting those facilities. I have been told by cleaners who work in those salons that they would like to be on the premises longer. They would like to be trained and instructed in helping the public. There are opportunities for the industry to expand.

Several cities have tried local licensing arrangements to ensure minimum standards in salons and they have been adhered to, but it is clear that national legislation is preferable to inconsistent local action. The Chartered Institute of Environmental Health and COMARE clearly recommend national legislation. There is now legislation in Scotland, and I understand that the Irish Government have been convinced of the argument and will, I hope, be undertaking legislation too.

Caroline Flint: I commend my hon. Friend for her dogged determination to support the introduction of legislation. It has been said in the debate that, in terms of the total use of sunbeds, we are talking about a small part of the market and a small number of users, but is it not the case that unmanned coin-operated salons target the poorest and most vulnerable—possibly young people whose parents cannot afford a holiday in the sun once or twice a year? This is their way of getting what they consider a good tan to make themselves look good. The targeting of the poorest and most vulnerable by such outlets is cynical.

Mrs. James: I agree.

Some 1,700 deaths a year are attributed to skin cancer, and it is calculated that 100 of those are directly attributable to sunbed use. In 2004, there were 65,000 new cases of skin cancer in Great Britain, so the problem is not small. Other countries have recognised the seriousness of the issue and legislated. They have done so willingly and collectively, and it is important that we follow suit.

Nia Griffith: Does my hon. Friend agree that, just as we are shocked when we look at old TV footage and see people smoking everywhere, the sunbed issue is of the same magnitude? Soon young people will be saying to us, "Why ever didn't you do something about this before now? Why ever did you let us get into this mess and develop these terrible cancers, which are so devastating and take so many lives?"

Mrs. James: That is true.

From those who have suffered with skin cancer, the message is clear and consistent: "Do something now. Don't let young people go through what I went through." It is a heartbreaking message. I was interviewed recently for a TV programme on the subject by a well-known celebrity, Nicola Roberts. She said that she had visited somebody who was dying of skin cancer and how difficult it is to explain to the person who is suffering why nothing is happening quickly.

Young people who are aware of the issues are saying to us, "Why don't you lot at Westminster get on and change the law as quickly as possible?" Very few people say to me, "Don't change the law. Don't bring in regulation. Don't ban use for under-18s." Not one person has yet approached me with that message.

The Welsh Assembly has led the way in this matter for us in Wales. The Committee on Health, Wellbeing and Local Government conducted an inquiry into sunbeds and found a need for immediate action. I put it on record that its key recommendations included, first, prohibiting under-18s from using sunbeds; secondly, that facilities should be staffed with well-trained staff; and thirdly, that information setting out the potential health risks should be prominently displayed.

We in south Wales know very well what it is like to be a sunbed hot spot. My constituency has a sunbed parlour on practically every corner. They are in places as diverse as above beauty salons, in hairdressers, in local facilities and even in corner shops. Once one starts looking for salons, it is amazing where one finds them.

I quote the words of the mother of a 14-year-old, Kirsty McRae, who was very badly burned last year. My hon. Friend the Member for Cardiff, North (Julie Morgan) has already referred to her. In evidence to the Welsh Assembly's Committee on Health, Wellbeing and Local Government, the mother said:

> "As a family, we have always taken a responsible attitude to the sun and used the appropriate products, considered the time spent in the sun and the time of day we were in the sun. I am therefore quite happy that in educating her about natural sunlight and sun damage, I did as much as I could as a parent. I had expressly forbidden her to even consider using a sunbed, and, as has been reported previously, I acknowledge that she went against my wishes and she acknowledges her responsibility in that respect as well. The concern is that the operation of such a salon allowed her a facility to misuse the bed."

Clear warnings are needed. We have updated them, but we need to carry on. Posters need to be prominently displayed and we have to match our work to the campaign. Cancer Research UK, the Welsh Assembly Government, the Teenage Cancer Trust and other cancer charities have raised skin cancer's profile and prepared and distributed documentation.

There are no health benefits from using sunbeds. There are disbenefits, not benefits, and we need to get that message across clearly. Sunbed use is too cheap at 25p a minute. There are no parents around and it does not matter whether one has a sunbed at home or not; everybody uses sunbeds in communities such as mine. Having a tan is their little bit of glamour. It is so easy to achieve and people can access irresponsible and unstaffed salons. The question is, why are young people starting to tan at such a young age? Children aged 11 to 14 are saying that they want to go to salons and get a tan. We have to address that issue.

The hon. Member for Shipley (Philip Davies) asked about restricted zones, and I understand that, in case of prosecution, the zone—the cubicle or the salon—is defined as a private area. The issue is simple, because one cannot see what goes on in such places, so the zone has to be defined to ensure that, if the young person enters it, there is a clear demarcation demonstrating that they went into an area where they were not allowed. I accept the point about inadvertently wandering into such a zone in a sports facility, but that is why the zone should be clearly defined. We need to know where it is, who is there and who has used it.

Do I think that sunbeds are dangerous? Yes, I do. Do we know that young people are using them? Yes, we do. It is now time to take action. I hope that my colleagues will join me in arguing for the greater protection of children and young people throughout England and Wales, and support the Bill.

12.57 pm

Mr. Bruce George (Walsall, South) (Lab): I am truly delighted by the introduction of this Bill. However, I am a little sad, because as I said I have tried for 36 years to get a private Member's Bill just on to the bottom of the list on the notice board, and I have failed. Eventually, the Bill that I wanted on private security went through the House, but I would have introduced the Bill before us. My version of this Bill might have been differently worded, but I suspect not. I have three main reasons for wanting to introduce such legislation, and they include my knowledge of the statistics. Anyone who is forced to use 1995 statistics, as the hon. Member for Shipley (Philip Davies) did, and, seemingly, nothing beyond that is either filibustering or has a desire to spend his time here today doing something useful.

My hon. Friend the Member for Cardiff, North (Julie Morgan) has been fortunate with her friends but even more fortunate with her opponents, because I have not heard a greater profusion of erroneous facts in my life. I have attended and spoken in Parliament and at public meetings, but I have not used the arguments that I have heard today. I remember speaking for some time, during one of my rare appearances here on a Friday, about why in my constituency—*[Interruption.]* I argued that John Stuart Mill would have voted for the legislation on seatbelts. I have used some nonsense arguments—*[Interruption.]*

Mr. Deputy Speaker: Order. I am sorry to interrupt the right hon. Gentleman. He went in for a bout of sedentary commentary earlier, but I do not want any tit for tat from the hon. Member for Shipley (Philip Davies). Let us get on with the debate.

Mr. George: Thank you for your protection, Mr. Deputy Speaker; I manage without it outside.

This is not about prejudice—the facts are there in vast numbers for people who take the trouble to read them. There is an enormous case for acting on this matter, and at last there is the prospect of legislation, although that is not a panacea—it will not eliminate the cancer that young people, and older people, are dying from as a result of exposure to the sun. I chair the all-party group on skin. I will willingly send a copy of our report to the hon. Member for Shipley, who would find in it a lot of the evidence, of which there is an enormous amount. He said that he was not opposed to the Bill, but every word that came out of his mouth led me to a very different conclusion. His arguments are even opposed by people he cited by way of support. He cited the words of the Sunbed Association in 1995. He should have read through his post and seen the letters that all Members of Parliament received saying that there had been some criticism of the Bill by the Sunbed Association, but only to say that it was not strong enough. He cited a source that is totally opposed to the arguments that he evoked.

Philip Davies: The right hon. Gentleman is giving the most nauseating performance that I have heard in my time in the House. Perhaps it would help if, instead of trying to misrepresent the points that I made, he could try, if he is capable of it, to make a cogent argument as to what he believes.

Mr. George: I tried to make an argument, unlike the hon. Gentleman, who came out with a series of nonsensical words from his mind that he just invented this morning. I will carry on with my speech. He should listen to and read about the enormous number of very worthy people and organisations who have supported the Bill, together with the group that I represent. He may not think much of my views, but if he dares to come along to one of our meetings and put those arguments, he will hear a strong set of ripostes.

An enormous number of reputable organisations take a serious interest in the problems of skin and skin cancer. We are discussing one small aspect of the much broader issue of skin cancer, which the statistics clearly show is rising dangerously, with young people as the main victims. They enthusiastically go into these salons, not knowing what might lie ahead in 20 or 30 years. Not many young people think 20 or 30 days ahead, let alone 30 years. They should know that the figures for skin cancer are rising exponentially. That is without getting on to the big issue of global warming, which is likely to cause even more problems on top of those that are already being experienced.

In case the hon. Gentleman did not get hold of this document, the Sunbed Association says:

"The Sunbed Association would strongly urge you to use the opportunity at the Second Reading of the proposed Bill…to call for the Bill to be amended to include a requirement of compliance of all sunbeds in operation prior to 1 April 2009 to a maximum irradiance level of 0.3W/m². Alternatively, as a minimum, seek a commitment to a timescale for compliance implementation."

I have talked to the Sunbed Association and am delighted to say that it is supporting the proposals, because it recognises the enormous dangers. It probably knows the problems more than anybody, so to have the largest association of sunbed owners supporting the Bill is a great boost to the campaign.

No suntan is safe, and the consequences are there for all to see. We know how lazily young people treat the sun, despite the many consequences, and the use of sunbeds increases the risk of skin cancer. As I have said a great deal, the more and earlier an individual uses one, the more the risks rise.

Cancer Research UK found that of 4,000 sunbed users, 82 per cent. had first used them before they were 35, and some had cancer. A distinguished hospital in Dundee has produced a great deal of research that people ought to examine, as has the Health and Safety Executive. One can examine—not that I do, but it was brought to my attention—the amount of research being produced in other countries and by legislatures elsewhere that have seen the importance of tackling the problem far earlier than we have. That should spur us on.

My all-party group on skin supports the Bill, and our research has reached the conclusion that a number of sunbed institutions offer seemingly unlimited sessions, have tanning accelerators and high-powered machines, ask for no proof of age, make no comments on the risks for those who have fair skin and offer insufficient information on risks in general. That is the area of the market to which the Bill is targeted. Maybe it is an omission that it does not allow for chasing people into their houses and examining all their equipment, but that is beyond its scope and, I suspect, even beyond the hon. Gentleman if he were enthusiastic about the idea. The Bill is not intrusive, but if others do deem it intrusive, it is so for a purpose and most sane people would welcome it.

I am glad that the hon. Gentleman made no attempt to filibuster—I do not accuse him of that at all. He is entitled to spend 40 minutes talking about anything that he likes, subject to your will, Mr. Deputy Speaker. However, I hope that the Bill is not seen as party political and that Opposition Members will support it. I hope that time will be found for it, and I really hope that it gets through before the election, whenever that is, so that all parties and all MPs can take credit for the fact that a small piece of legislation might save at least 1,000 lives a year. If that happens, we can all feel satisfied.

1.8 pm

Nia Griffith (Llanelli) (Lab): It gives me enormous pleasure to congratulate my hon. Friend the Member for Cardiff, North (Julie Morgan) on coming so high in the ballot and on choosing this extremely important Bill to ban the use of tanning salons by young people under the age of 18. My hon. Friend the Member for Swansea, East (Mrs. James) has championed that cause unstintingly for a long time.

I have been shocked to find out how many people simply do not know what is happening. When I have talked to constituents about what we would be doing today, they have asked, "Aren't salons already staffed? Aren't there any regulations? Aren't young people already banned from going?" They have been horrified to find that it is quite easy for any youngster to walk off the street and into a salon.

[Nia Griffith]

The age of 11 is a key point at which young people get keen on their appearance. They look at all the magazines, and when they go up to secondary school they want to be big and join in with what the older young people are doing. They want to make themselves as grown-up as possible. They see tanning as one of the ways in which they can do that—they can get that glamorous tan. Of course, it is so easy when they can just walk in off the street, their friends are encouraging them, they feel a bit adventurous and they want to try new things. We all experienced such feelings when we were teenagers, but we are discussing a potentially lethal weapon, to which young people can subject themselves.

In a few years, those young people could be very bitter because we, as responsible adults, did nothing to prevent the availability of that opportunity, and they ended up suffering from a devastating form of cancer. Skin cancer is extremely serious; some people think of it as simply cutting out a little mole, but we know how quickly it can spread and develop secondaries. Sadly, many of us know people who have passed away from melanomas and various skin cancers.

It is therefore extremely important for us to take a responsible attitude. I know that some young people will feel that we are fuddy-duddies—"This is the adults again, trying to dictate, telling us what we should and shouldn't do." However, I know that many young people are concerned about what their fellow young people are doing and are aware of the dangers that tanning salons can pose. They know how easy it is for somebody not only to build up a long-term problem, but to suffer immediate damage, as in the sad case we had in south Wales of very severe burning. Clearly, that young person did not intend to do that to herself. It is so easy for such incidents to happen.

We must not lose our nerve. Our local authorities need the Bill to regulate properly. We do not want any nonsense about over-regulation. My hon. Friend the Member for Swansea, East clearly made the case for regulation. She has talked and listened carefully to all those involved in the business. She knows that the Bill is the only way forward, and that responsible providers of such services welcome what we are doing and want proper regulation so that we do not have a position whereby young people can simply walk in with no advice, no notices—nothing to warn them of the dangers—and expose their delicate skins to the horrible effects of tanning salons.

Of course, we want more than simply to ban under-18s from the salons. We want proper staffing and proper advice available to us all. I hope that the Bill will mark the beginning of getting on to a good footing and taking a sensible approach to tanning salons. We must ensure that we protect our young people and also conduct information campaigns to inform all adults of the potential dangers. We must also ensure that we back up legislation with good education programmes in our schools. We can then say to young people in schools, "This is illegal," so that it is not simply a matter of exhortation, but of putting it plainly to them that they are not allowed to go to tanning salons. That added protection will contribute to the information campaigns. I hope that the Bill will have our full support today.

1.13 pm

Mark Simmonds (Boston and Skegness) (Con): I congratulate the hon. Member for Cardiff, North (Julie Morgan) on her success in the ballot, on her excellent choice of topic and on the work that she must have put in behind the scenes to get the Bill in its current form. She gave a succinct and articulate introduction, which credibly set the scene for the ensuing debate.

The hon. Member for Swansea, East (Mrs. James) should also be congratulated on her diligence and dedication in continually raising the issue, not giving up and pressuring the Government and hon. Members of all political parties to take it seriously. She was right to make the point that there are responsible operators and that the House needs to support them over those who do not operate in a considered and structured way.

I shall take the opportunity briefly to defend my hon. Friend the Member for Shipley (Philip Davies) and his contribution to the debate. He was right, particularly on two matters. First, he is right that, in a democracy, the other perspective must be presented—that is what the House is for. Secondly, he was right to suggest that just because something is popular, it does not mean that the House should follow that view.

The only defence for legislating on health care and banning something is if a ban is supported by clinical evidence. I have drawn different conclusions from my hon. Friend. The European Scientific Committee on Consumer Products produced a detailed report on the use of ultra-violet radiation devices in 2006, and it concluded that people should not be advised to use tanning devices, specifically if

> "there are skin phenotypes of type I and II and the presence of freckles…multiple and/or atypical moles and…a family history of melanoma."

It also says that the risks are high for people of "a young age". It concludes:

> "Thus UVR tanning devices should not be used by individuals under the age of 18 years."

That is exactly what the Bill would achieve.

We have heard many statistics about the increasing use of sunbeds, some of which are very significant: more than 11 per cent. of 15 to 17-year-olds have used a sunbed; 6 per cent. of young people—250,000 children—a year use sunbeds. There are pockets of the country where sunbed use is high, and we have heard about south Wales, Sunderland and Liverpool. We need to introduce legislation that goes some way towards addressing the potentially detrimental outcomes of sunbed use by individuals under 18.

Other clinical evidence supports the premise behind the Bill. The International Agency for Research on Cancer has raised the status of sunbeds from "probably carcinogenic to humans" to "carcinogenic to humans". There is clear evidence to suggest that if people under 35 use sunbeds the risk of their getting cancer increases by up to 75 per cent. As has been said, more than 10,000 cases of malignant melanoma were diagnosed in the UK in 2006 alone, and there has been a significant increase in such cases over the past 30 years. Sunbeds are linked not only to skin cancer but to other health conditions, including eye damage, dermatological conditions, photosensitivity and premature skin ageing.

Mr. Charles Walker (Broxbourne) (Con): I am not a scientist, but one of the drawbacks of the prolonged use of sunbeds and exposure to the sun is that people can end up looking like a shrivelled prune or a leathery turtle. I do not think young people are aware that short-term beauty has a long-term cost for their skin, purely from an aesthetic point of view.

Mark Simmonds: My hon. Friend makes a good point, but I would go further. Not only are people under 18 unaware but many people over 18 are unaware of the negative side effects, both of using sunbeds and tanning salons and of staying in the natural sun for far too long without sufficient protection. We need much more easily understandable and accessible information, so that people can make informed decisions about what they want to do with their lives.

Significantly, the Sunbed Association is in favour of the Bill, but there is uncertainty about the number of sunbed outlets. It is estimated that there are 8,000, only one fifth of which are registered with the association. The vast majority are therefore outwith the existing regulatory structure. It would be helpful if the Minister explained either today or perhaps at a later stage what estimate her Department has made of the number of sunbed premises in the country, and whether there is any research on prices and the cost of using sunbeds. The right hon. Member for Don Valley (Caroline Flint) made the point that a session can cost as little as 15p; the cheapest session that I have come across costs 40p, which is peanuts.

The existing voluntary regulatory structure has not worked, and there is a much bigger agenda to tackle. I am not going to be deflected into discussing it, but we must find ways of reducing the incidence of cancer and of improving five-year cancer survival rates in the UK which, the whole House will know, are extremely poor compared with survival rates in other EU countries. We could do so by increasing and ring-fencing the public health budget at the Department of Health, and by providing much greater access to information. There is a strong argument for that, as there is a causal link in pockets of socio-economic deprivation to growing health inequalities, which is why we have said that we need to increase the resources going into those areas and why we have introduced our patient premium.

We in this House should not introduce legislation lightly, but the Bill is moving in the right direction. We need to support informed choice. I am as disappointed as other hon. Members that voluntary regulation of the sunbed industry has proved ineffective, so the Bill is a necessary step.

The key to the success of any such measure is enforcement, evaluation and monitoring. There is already too much duplication in evaluation and monitoring in national health service structures, and I notice from the impact assessment that the Department of Health and the Health Protection Agency will both be responsible for collecting data and pulling the assessment together. It would be much better to have one or the other—I would opt for the HPA. Perhaps as the Bill progresses, we need to look at that detail.

There is a slightly quixotic reference in the impact assessment—on page 14, for the Minister's officials—to pilot projects. I wonder what pilot projects there could be for an outright ban on the use of sunbeds by those aged under 18.

Another issue that needs to be thought about as the Bill progresses, which I hope it will, is whether 18 is the correct age. Are we saying that people who are 16 and 17 do not have the ability to make informed choices, or is there specific clinical evidence of a problem with their going on to get melanoma and other skin problems? I have looked for that research and not found it, but it would be helpful to know whether it exists.

I strongly agree with clause 5, which requires sunbed businesses to display information about the health risks of sunbed use. However, it would be interesting to know much more about that information: who will be responsible for it and will it emanate from the Department? Should that not be in the Bill rather than in subsequent regulations, despite the Secretary of State's assurances that they would follow quickly? I would like GPs and pharmacists also to have a role in disseminating that key information, as well as it being on premises where there are sunbeds.

Clearly, the objectives of the Bill are to protect young people from harmful effects of sunbed use and to raise their awareness, but there is concern about the equipment that is currently used in many tanning salons in the UK. The Minister will be aware that in 2007 the Government signed up to an EU declaration on the erythemally weighted irradiance level of tubes in sunbeds. As a consequence, all new sunbeds must comply with that limit, but the Government have failed, first, to implement their commitment to ensure that all existing equipment complies with the regulation, and, secondly, to set a time scale for its implementation.

The directive has already been implemented elsewhere in the EU—Austria, for example, has done so completely, and Denmark and Germany almost completely. It would be helpful to the House if the Minister explained where that has got to. Clearly, it is potentially significantly more damaging for UV output levels to be higher than those of the midday Mediterranean sun, which is why the regulation was introduced. The hon. Member for Cardiff, North and the Minister need to consider amending the Bill to ensure that sunbeds comply with the EU directive, which was supposed to be in operation from 1 April 2009. Alternatively, there should as a minimum be a commitment in the Bill to a time scale for compliance. For the edification of hon. Members, I confirm that the directive is not aimed solely at new sunbeds. It is also retrospective, so all existing sunbeds have to comply.

The explanatory notes and impact assessment refer to the costs of the Bill, relating to the authorised officer and the enforcement capacity. That seems sensible, but the total cost—supposedly—of these additional responsibilities for every single local authority in England and Wales is assessed at only £100,000. I find that very hard to believe, and we need a much more accurate assessment of the additional responsibilities and costs for local authorities, especially given the deteriorating macro-economic situation and fiscal deficit. Whoever is in power after the next election, that situation will have to be rectified.

The hon. Members for Cardiff, North and for Swansea, East were right to raise the issue of coin-operated salons, and I share their concern. That is not an acceptable approach. I understand from those in the industry that the Department of Health has been reluctant to discuss the impact of the Bill with those in that sector of the sunbed market. It would be helpful to know whether any research has been done or calculation made about

[Mark Simmonds]

what proportion of a sunbed salon's revenues is generated by under-18s and therefore what impact the Bill would have on the industry.

My hon. Friend the Member for Shipley mentioned the possible displacement impact, encouraging people to have sunbed treatments at home in unregulated conditions, rather than in salons, and that point needs to be considered. I am supportive of the medical purposes exception highlighted in the Bill, but I would like to know whether the Minister thinks that that will have to be achieved by prescription or just on a nod and a wink from a GP or other clinician.

There is legislation relating to sunbeds in other parts of the world—in the US, as we have heard, and in parts of Europe and Australasia—and we need to know what lessons can be learned from that. Has the legislation made a difference? What contact has the Department had with health departments in those countries to ensure that the Bill has the maximum impact?

We think that this legislation is going in the right direction. We will support the Bill, but some key issues remain to be addressed, which I hope will come out in Committee.

1.27 pm

Sarah Teather (Brent, East) (LD): I shall be brief, as I do not wish to detain the House. I congratulate the hon. Member for Cardiff, North (Julie Morgan) on securing second place in the ballot and using it for such a good cause. My colleagues and I support the Bill. Indeed, my hon. Friend the Member for North Norfolk (Norman Lamb) has spoken about this issue on many occasions, and the hon. Lady will know that he is very supportive of the Bill.

My hon. Friend the Member for Richmond Park (Susan Kramer), who is no longer in her place, asked me to tell the House about her husband, John, who died about three years ago of melanoma. He was told by his doctors that it was a result of sunburn suffered as a child. He had not used sunbeds, but his example highlights the fact that skin damage as a child can cause damage 30 or 40 years later. The hon. Member for Shipley (Philip Davies) spoke about freedom of choice, but it is very difficult to make an informed decision on this issue, especially as a child. The information provided about the level of ultraviolet light is often incorrect, and the hon. Member for Boston and Skegness (Mark Simmonds) spoke about the variability of the amount of UV light provided by various sunbeds. It is difficult even for an adult to make an informed choice, so it is impossible for a child or a teenager to make one about the damage that they might do to themselves 10, 15, 20, 30 or 40 years later. As my hon. Friend the Member for Richmond Park said to me, she was told by John's doctor that when a melanoma metastasizes, that person's chances of survival are extremely low. Melanoma is a difficult cancer to treat if it has metastasized. It might be easier to treat if it is picked up early, but it is difficult to treat if it spreads.

James Duddridge (Rochford and Southend, East) (Con): I am sympathetic to the argument that it is difficult for a child to make such a decision. The age chosen in the Bill is 18, and the hon. Lady agrees that it is difficult for a child between 16 and 18 to decide whether they should go on a sunbed. Why then does her party support giving young people the vote at 16? Surely that decision is a little more complicated.

Sarah Teather: Oh, crikey. I am not sure that I really want to get on to that.

Mr. Deputy Speaker: Order. Can I share the hon. Lady's feelings?

Sarah Teather: I am eager to speak briefly so that my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) might have a chance for his Bill too to be read a Second time, particularly as I am wholly supportive of the Bill that the hon. Member for Cardiff, North has introduced.

Lastly, we think that the Bill is a proportionate response to the potential danger, particularly to young people, and also to unsupervised coin-operated slot machine salons. We support the Bill and hope that the Government will make parliamentary time available to ensure that it gets on to the statute book.

1.31 pm

The Minister of State, Department of Health (Gillian Merron): I warmly congratulate my hon. Friend the Member for Cardiff, North (Julie Morgan) on bringing the Bill before the House in a well informed manner that also demonstrated enthusiasm and great sensitivity to the importance of the issue. I know that the House will want to pay tribute to my hon. Friend the Member for Swansea, East (Mrs. James), who has championed the cause and been well supported by many of her colleagues and rightly so. It is a mark of the energy and commitment that my hon. Friends the Members for Cardiff, North and for Swansea, East have shown that the measure has gathered such strong cross-party support.

I am extremely proud to add my voice to the chorus calling time on under-age sunbed use. Today that chorus has included well supported and informed contributions from my right hon. Friend the Member for Walsall, South (Mr. George) and my hon. Friend the Member for Llanelli (Nia Griffith). I am also grateful to the hon. Members for Boston and Skegness (Mark Simmonds) and for Brent, East (Sarah Teather) for giving their parties' agreement to the Bill, which I hope will come to fruition.

Anybody who has spent time outdoors with children will know just how quickly young skin colours and how fast a suntan can become sunburn. Luckily we can see the warning signs and take action to stop children inadvertently harming themselves. That is the essence of what today's Bill is all about. We cannot continue to allow children and young people to burn. The evidence is clear: sunbeds are a health risk, and the risk is greater for young people. I am convinced that legislation is required to protect the health of our young people.

On that point, perhaps I could give a gentle reassurance to the hon. Member for Shipley (Philip Davies), who unfortunately is no longer in his place. He legitimately asked questions about whether we needed the legislation. When bringing forward legislation, existing routes must of course have been tried first and must have failed, and

alternatives must have been sought. I can say to the House that in five areas that has indeed happened. There has been no attempt whatever to jump to new legislation. First, as we have heard a number of times from hon. Members, voluntary self-regulation by the sunbed industry has simply not worked, and the industry acknowledges that.

Secondly, some local authorities have special licensing powers, but those powers have limited applicability and provisions vary, so they too have not done the job. The Health and Safety Executive has revised its guidance, but that is exactly what it is: simply guidance. That has not done the job either. SunSmart, the national skin cancer prevention campaign, has reported no changes in behaviour among young people in the 16-to-24 age group, in regard to their attitude to protecting themselves from the damage that the sun and sunbeds can cause. So despite attempting to improve young people's awareness, we have not seen the change that we need.

Lastly, no legislation is in place to deal with this issue. I can assure the House that I have done a thorough job of finding out whether we could achieve the same effect without new legislation, as that would have hastened the outcome of our efforts, but it was just not possible. That is why we are here today. The Bill tackles the problem head on. This is the only way we can protect young people from harming themselves, and this is the earliest opportunity that we have had to bring these provisions into law. The Government fully support the Bill.

Last night, I was proud to welcome to Westminster Dyllys Firth and Pam Connock. They are cancer survivors from Lincoln and they have done sterling work to raise money for a cancer charity called Candles, and to support the work of Professor Eremin. Their fundraising efforts are legendary. They had the opportunity to meet my hon. Friend the Member for Cardiff, North last night before I took them to No. 10 to meet the Prime Minister, in recognition of their efforts. They wished my hon. Friend more power to her elbow today, because they felt strongly that we could wait no longer to take action to protect young people from the risk of cancer, and that legislation, information and a change of attitude were now required. We have heard those points being raised today as well.

My hon. Friend—hand in hand with Cancer Research UK, which is also to be commended—has created a truly exciting and memorable campaign, which has challenged the idea that tanned equals beautiful. Members might have seen the media interest sparked by Nicola Roberts of Girls Aloud when she addressed the parliamentary reception to launch the Bill. Miss Roberts spoke with great passion, and made a health message real and relevant to a generation of young people, particularly girls, who feel under constant pressure to look a certain way and fit in with the crowd, regardless of the cost to their health. The Secretary of State and I were proud to attend the reception and to confirm our support for the Bill. The attention that the campaign has attracted, and the progress of the Bill, shows that with the right combination of legislation and education we can break the invisible chain linking success to suntans.

Today the House is faced with a simple decision, and we can save lives now. The evidence shows that skin cancer is on the rise. In 2004, there were more than 65,000 new cases of skin cancer. Melanomas, one of the less common but most deadly types of skin cancer, caused more than 1,700 deaths last year in England alone. One study estimated that melanomas from sunbed use cause about 100 deaths a year in the UK. Those deaths are preventable.

One of the most harmful aspects of skin cancer is the delay between the exposure and the effects. Cases of skin cancer being reported today could be the result of exposure 10 or 20 years ago. Estimates suggest that skin cancer rates will triple over the next 20 to 30 years. We have a generation of people storing up damage for the future, and we have a duty to do all we can to protect young people today so that we can save their lives tomorrow.

Should the Bill receive Royal Assent, the Government would begin consulting on further regulations—for example, to tackle unsupervised sunbed use—at the earliest possible opportunity, because the evidence is compelling. Over the past decade, the case against the use of sunbeds by under-18s has gradually been building. First, scientists explored the links between sunbed use and skin cancer. In 2003, the World Health Organisation recommended that nobody under the age of 18 should use a sunbed. In 2006, the Scientific Committee on Consumer Products, which advises the European Commission, also warned of the specific health risks attached to sunbed use. Studies then began to examine the links between sunbed use during childhood and the increased risk of skin cancer.

The hon. Member for Boston and Skegness asked about the use of the age of 18. As I have suggested, this limit has been recommended by the Scientific Committee on Consumer Products, the WHO and the Committee on Medical Aspects of Radiation in the Environment—COMARE—to whose report I shall refer in a moment. The limit is also understandable and consistent with other age restrictions, for example those relating to alcohol and tobacco.

Last year was a real turning point, because in June the independent body COMARE reported that exposure to ultraviolet light could cause skin cancer, and that young people were particularly vulnerable to skin damage. In July, the International Agency for Research on Cancer's working group classified sunbeds as "carcinogenic to humans" for the first time.

James Duddridge: I welcome this Bill and its use of the 18 age limit. If that limit proves to be too low and it is felt that, on reflection, it should have been 21, would it be possible to change it through secondary legislation or would we have to use primary legislation?

Gillian Merron: All these things are, of course, a matter for Parliament. The important thing to emphasise is that the 18 limit is based on scientific evidence, practicality and workability. I am sure the hon. Gentleman would agree that we only want legislation that can work and be enforced.

Last year, research also confirmed what my hon. Friend the Member for Swansea, East had been saying for some time: that sunbeds were routinely being used by young people across the country and that voluntary action by the industry was simply not going to be enough to protect their health. Health Ministers recently commissioned two surveys on sunbed use by children in

[Gillian Merron]

England. They were carried out by Cancer Research UK and they found that 6 per cent. of 11 to 17-year-olds had used a sunbed, with many starting at the age of 14. The evidence showed that the use of sunbeds by under-18s is widespread, that voluntary regulation alone cannot protect public health and that the link between sunbeds and skin cancer is extremely clear and present.

I wish to deal with a few of the comments made by the hon. Member for Boston and Skegness. I can reassure him about the impact assessment's reference to pilot projects, because this is a standard paragraph in the documentation and, in fact, the entry says "not applicable", so there are no pilots to refer to. He also mentioned the technical standards and compliance issue. This is a matter for my hon. Friend the Member for Cardiff, North and other Members, but technical standards are about product safety and this is a Bill about public health, so its focus should remain on public health and any other issues should be addressed elsewhere. Adherence to standards is not within the scope of the Bill, although I am happy to raise with the Business Secretary the issues that the hon. Gentleman has discussed. I can, however, assure him that a regime is in place to deal with this issue and it involves trading standards and the Health and Safety Executive.

Estimates of the number of sunbed outlets vary considerably and, as my right hon. Friend the Member for Don Valley (Caroline Flint) said, these businesses pop up all the time and disappear regularly. What is clear is that only a fraction of sunbed outlets are covered by the voluntary code.

We are moving ever closer to a health service that not only treats illness but tackles its causes—one that looks beyond life years and towards the quality of people's years of life. Cutting the risk of skin cancer means acting on a number of fronts: we need to educate young people better so that the risks are known; we need to regulate better so that children are not exposed to damaging environments; and we need to challenge the culture that links tanning to beauty. I believe that the Bill is a significant step in the right direction. This is a Bill whose time has come and I am proud to support it on behalf of the Government.

1.45 pm

Julie Morgan: I want to thank everybody for their contributions—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Lady, but she must seek the leave of the House.

Julie Morgan: With the leave of the House, I want to thank everybody for their contributions. In particular, I thank the Opposition spokespeople for their good, measured responses, for which I am very grateful. The hon. Member for Shipley (Philip Davies) is not in his place at the moment, but I want to make a few quick points about what he said. I can reassure him that there is no intention of banning adults from using sunbeds. We want there to be information so that they know the risks. There is an exemption in the Bill that will allow under-18s to use sunbeds for medical treatment, which is something else he was concerned about. I am pleased that he recognised the need for supervised salons, which will come about as a result of the Bill.

I believe that parents do their best to try to stop their children accessing sunbeds. I do not think that parents are irresponsible and I think that they try very hard. However, what can they do if sunbed premises are not staffed? Parents recognise the dangers and will, I believe, be fully supportive of the Bill. My hon. Friend the Member for Swansea, East (Mrs. James) covered many of the other issues that have been raised, as did the Minister. I want, finally, to say that I think Opposition Members were right to say that we should not do things because they are popular. However, we should do things because they are right.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Town and Country Planning Act 1990 (Amendment) Bill

Second Reading.

1.47 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I beg to move, That the Bill be now read a Second time.

I am very fortunate in that, for the second time in my political life—although the first came only a couple of years ago—I have managed to be successful in the ballot. I am grateful to have the opportunity to present the Bill to the House. I am grateful that the Minister is in his place and I hope that I can say things that can command general support. This is not intended to be a matter of party political division, but it is a matter that concerns us all greatly. It is about how we release more money to improve housing and for social housing in all parts of England where the need is significant. I am grateful to my 11 hon. Friends who have shown their support for the Bill and who sponsor it with me.

This is a simple Bill that seeks to amend the Town and Country Planning Act 1990, which contains a section, often referred to in local government circles—section 106. That is the section under which, when a developer applies to a local council for permission to carry out a development, there is a negotiated payment by the developer to the local council that is meant to compensate for the disruption and to pay for the changes that were necessary to the infrastructure as a result of the development.

One problem with that legislation has been that it has been a bit vague. That is one reason why the Government have started to look for an alternative. In the Planning Act 2008, they decided that they wanted to create something called a community infrastructure levy. They went out to consultation on that last year and in that consultation were some draft regulations. The consultation has finished, but the draft regulations have not yet turned into regulations so we do not yet have in place the community infrastructure levy. In any event, it was never the Government's intention to get rid of section 106 and replace it, but to have both mechanisms operating in parallel. In the draft regulations for the community infrastructure levy, it is proposed to exclude housing from certain categories that could benefit. Section 216(2)(g) of the 2008 Act would be amended to read

"such housing as CIL regulations may specify."

The intention is to limit the payments for housing.

I am keen to respond to the needs of boroughs such as mine—Southwark—and to colleagues who are in the joint administration of the council there, as well as to colleagues in all parts of the country whatever the colour of the administration. We want to meet the desperate need for more social housing. We still have a social housing crisis. There are too few affordable homes for rent, as my hon. Friend the Member for Brent, East (Sarah Teather) knows as well as anybody. She speaks for us on the matter regularly. Much of our existing stock is in a state of disrepair. I want to allow every possible future revenue stream, from developers and everywhere else, to be used to carry out urgent renovations to local housing stock or to build new homes, if that is what the council wants.

I shall be relatively brief, because I want the hon. Member for Peterborough (Mr. Jackson), who speaks for the Conservatives, my hon. Friend and the Minister to be able to contribute in the hope that they will all be favourably disposed and we can make progress with the Bill.

Housing has been one of the biggest issues in my constituency for all the 26 years since my election. Southwark is the third largest council landlord in the country and the largest local authority landlord in London. As of last October, 40,485 properties were let to social tenants. The borough is the freeholder for approximately 15,000 properties that people have bought under the right to buy. Things may have changed—in the '70s, nearly 70 per cent. of all housing in the area was social housing; the figure is now down to 45 per cent.— but a third of all the houses in the borough are the council's responsibility. The waiting list is still in the order of 15,000. On 1 April last year, 15,000 households were registered with the council as wanting social housing. In the same year, only 3,691 social rented homes became available. Southwark faces the same challenge as everybody else in local government—trying to maximise the amount of housing available when there is such huge demand both from people who need their first home and from people in an overcrowded home wanting to move to a better one.

I could easily give more figures, but without doing so, I can say that there has been a changing pattern in the provision of social rented dwellings. In England, 25,000-plus new social homes were provided every year at the beginning of the '90s. There was a peak of 57,000 in 1992-93, but the number went right down in 2004-05—the lowest year—to 21,000 new homes a year. It has picked up a little since then, but nothing like enough to meet demand.

The same pattern applied in London, as my hon. Friend knows well. In the early '90s, just over 4,000 new social homes—council and local authority—came on line over a year. The highest number in any one year was 12,000 in 1995-96, since when the lowest was in 2004-05 when just over 5,330 new homes came on stream. In Southwark, which is obviously the borough of most interest to me, in the last full year, 2008-09, no new dwellings were started, although many dwellings were being built as replacement stock. In the same year, 81 social dwellings were started. None was formally recorded as completed, though many have, happily, been completed in the past few months and people have been happily moving into them: The challenge is still the shortage of social housing.

My hon. Friend the Member for Brent, East, our party leader, my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) and others launched a policy the other day that would allow us to bring 250,000 empty homes back into use. That is one strategy that we are committed to, and we have set aside the money to do that. We have also made a commitment that, in a future Parliament, income would be used nationally to build new homes, renovate others and make every home, as far as possible over a 10-year period, a warm home. That would create many jobs and insulate homes, but it does not deal with the fact that many local authorities have hesitated to use section 106 money for housing or improvement of housing.

Jeremy Wright (Rugby and Kenilworth) (Con): Although I do not disagree with the hon. Gentleman's argument, may I draw his attention to the concern that his Bill raises? It may be something that he intends to deal with, in which case I apologise for diverting him. He has explained clearly the difficulties that councils face in providing enough housing. There is huge pressure on them to do so. As I understand it, the original purpose of section 106 agreements and planning obligations was to prevent a failure to provide the necessary infrastructure to go with those housing developments. If he enables councils to spend that money on housing, are we in danger not only of failing to solve the problem of inadequate infrastructure, but of adding to it by bringing in more housing without that attendant infrastructure?

Simon Hughes: The hon. Gentleman makes a good point, which I entirely understand. What often happens is that the local authority, when consulted by the developer, would prefer the money to be used for improving housing adjacent to the development or for building more housing, rather than for what is strictly infrastructure.

I shall give the very best example I can. There is a huge development, which has had local support, called the Shard of Glass at London Bridge. It will be the tallest building in London. It has obtained planning permission and there was no significant objection, but it is cheek by jowl with housing estates, mainly local authority ones. When the development was applied for and agreed to, local people asked, "What's in this for us?" Obviously, it will change their skyline when there is a huge building outside their windows.

The council in that case has been able to negotiate to get some section 106 money, but what it most needed it for was not what could strictly be called the infrastructure to do with that development. It would rather have used the money for something else. My Bill seeks to give the option—only to give the option, not to be prescriptive—to the local authority to say, "We are satisfied that the infrastructure consequences of the development can be met. We do not need to adjust the pavements, re-route the roads or put in more drains. What we need locally is, for example, to insulate the windows of the estate next door so that the noise from the construction work and later, when the building is in use, will not adversely affect the homes on that estate."

I understand that the hon. Gentleman wants to make sure that there is clarity about using the money for such purposes. Some local authorities have taken the risk, as I understand it, and used section 106 money for those purposes. Most of them believed that that was slightly beyond the original purpose, so have not done so. The Bill makes it clear that that is an option if the local authority wants it.

Following from the hon. Gentleman's good point, I should say that sometimes in a development negotiation, the outcome can be that the developer agrees voluntarily to build some affordable housing next door as part of the development or to give money for it to be built or to improve housing.

My proposals would not change that process, because I seek to ensure that, when local authorities receive the money, they do not need the developer's agreement to undertake the work that they have prioritised. In case the hon. Gentleman does not know, I should say that my party and his party have jointly administered my local authority for the past four years, and his colleague, who is the executive member responsible for housing, agrees with those priorities.

There is also an independent argument in support of my proposal. Southwark council recently commissioned from the Local Government Information Unit a study to seek advice on how it might maximise revenue to deal with our borough's housing needs. The study's recommendations were published the other day and included the suggestion that central Government accept the shifted allocation of local resources. The study also supported debt restructuring. Southwark has a huge historical debt from housing that no longer exists and it wants to restructure that debt so that it does not have to pay as much in the short term. It would be able to spend less of its income every year on legacy bills and get on with building houses.

The report also made other proposals on, for example, Government land lending, but it also recommended

> "enabling local authorities to make an independent judgment on the use of planning gain, including using commuted sums from private development for the renewal of housing in the immediate area."

The local authority received the report from an independent non-party body, which said that that proposal was a good option for maximising revenue and for housing.

We are talking about large sums of money, but, interestingly, there is no simple read-across grid of how much section 106 money goes to every local authority. The hon. Member for Vauxhall (Kate Hoey) and I have worked hard to ensure that her local borough, Lambeth, and my local borough, Southwark, produce those figures, and they have. The most recent estimate relates to 2005-06, when the total value of section 106 obligations in England was £4 billion, and £3 billion is likely to be delivered in practice, so the yearly sum is significant. Birmingham city council signed 43 agreements in 2008-09 worth £5 million; Camden council received almost £3.5 million in 2008-09; Islington council has received £23 million since 2005-06; Southwark council signed 45 agreements in 2007-08 worth £15 million; and Tower Hamlets council has received almost £54 million since 2000. Those significant sums of money could make a big difference, and good local authorities, of which Southwark is one, now produce section 106 reports that list all the money that they receive. There was always a problem with transparency, so communities did not know where the money went, but authorities are now much better. Lambeth, next door, has become much better at sharing and discussing that information with the community, so councils of all colours have realised the benefit of making the process much more transparent.

The Government were very keen on the decent homes programme, and I supported it. The right hon. Member for Kingston upon Hull, East (Mr. Prescott) launched it when he was the Minister responsible for housing, and it was due to end this year, but unfortunately it is not going to, because not all the homes that were planned for upgrading have been upgraded. According to the figures that I have, 305,000 have not been upgraded, and the programme is projected to be £18 billion over budget. It is now accepted that not every home in council housing and social housing stock will be a decent home, as defined by the programme, by 2010.

Southwark—the borough that I know best—has estimated that it needs £300 million over the next five years to meet the minimum requirements of the decent homes standard, and up to £700 million to meet our local standard. Clearly, we do not have that income available. The council is very clear that we should be allowed to recycle our debt—I raised this with the Minister the other day, and he was not unsympathetic in terms of national policy—and borrow money at lower interest rates. We are often hemmed in by agreements that require us to borrow at 8 per cent., whereas on the commercial market one could get a loan at 2 or 3 per cent. If we were also allowed to use section 106 money, that could make a significant difference to the renovation of our housing stock, which we could carry out ourselves, and to the new-build housing that we could produce.

I know that the Government have the community infrastructure levy plan in the pipeline. However, given that that project was due to come into operation in April, and that we know that a general election must happen in June at the latest, so Parliament will finish in May at the latest, we must be realistic about its not being a white knight that is going to ride to the rescue. I am therefore keen to see whether we can make this very modest change in legislation. It would change one small bit of one existing Act of Parliament, but in a way that could make a significant difference to every local authority that is a housing authority and a planning authority and is under real pressure to provide more affordable housing. Every council in England would tell Ministers that that is one of the big pressures that they are under, and the Department knows that.

I hope that colleagues in all parts of the House will allow the Bill to make this a hat trick, and that today or next week it can pass from Second Reading into Committee and come out as a piece of legislation before the general election. I am grateful for colleagues' attention, and I commend the Bill to the House.

2.7 pm

Mr. Stewart Jackson (Peterborough) (Con): I congratulate the hon. Member for North Southwark and Bermondsey (Simon Hughes) on securing a place in the private Members' Bill ballot. With all due respect, though, I fear that this is a piecemeal Bill that tackles a symptom rather than the substantive issue. I will explain why a little later.

Her Majesty's Opposition think that section 106 of the Town and Country Planning Act 1990 should be restricted to site-specific improvements to make something acceptable in planning terms that otherwise would not be acceptable without that improvement. In that context, Conservatives have some concerns about the Bill. Improving residential premises might be justified as a site-specific measure, but we believe that building new premises would not. The Bill threatens to turn section 106 into even more of a development tax, on top of the community infrastructure levy.

As regards planning obligations, we are worried that the cumulative effect of regulatory burdens on the house building industry would undermine the viability of many housing regeneration projects, resulting in fewer homes being built. We want to review the whole manner in which the section 106 regime and the proposed additional community infrastructure levy works. We will examine how those levies can be simplified and localised so that individuals and communities affected by new development are not only properly compensated for any loss of amenity but benefit from genuinely improved places to live post-development. We want to give councils greater fiscal incentives to promote economic development and house building in their area by reform of the local government finance process. We will publish more details of those proposals for planning reform within the next few weeks.

I shall be as brief as possible on the specific key questions to allow the hon. Member for Brent, East (Sarah Teather) and the Minister to enter the debate. As I said, section 106 is designed to make something acceptable in planning terms that otherwise would not be acceptable without that improvement. By extending its scope to building new premises, the Bill threatens to be a development tax. Perhaps the hon. Member for North Southwark and Bermondsey will give some consideration to that.

A parliamentary answer in March 2009 stated that of £4 billion of section 106 money, 90 per cent. was going not in cash to local authorities but directly towards the provision of various agreements and planning obligations. That left about £340 million for local authorities. Is not the real point that the levies need to be simplified and localised? Would the measures in the Bill add to the cumulative effect of regulatory burdens on the building industry?

Simon Hughes: I do not want to delay the hon. Gentleman, but I wish to ensure that his points are dealt with. The Bill would give local authorities an option, but it would make nothing compulsory. It is intended absolutely not to add any burden but to take away one that restricts activity. I understand not wanting to limit local government's powers, but the hon. Gentleman's party talks all about localism and the Bill is about giving local authorities more power and more freedom so that they are less restricted.

Mr. Jackson: I thank the hon. Gentleman for that clarification.

It is important that the negotiation of planning obligations does not unnecessarily delay the planning process, thereby holding up development. Would the measures in the Bill add a layer of complexity to planning obligations that would clog up the planning system? How would they tie in specifically with the new community infrastructure levy?

Clearly the Government's plans to scale back the application of section 106 agreements will effectively make the optional community infrastructure levy system virtually compulsory. In the long term, would the Bill be an effective means of providing more residential properties and improving our existing housing stock? Finally, is there not a clear message from the industry that the Government must clarify how the proposed levy will work alongside section 106 agreements? Perhaps those specific issues will be considered if the Bill gets to Committee.

We have significant concerns about the Bill, but we welcome the opportunity to debate this important subject. I look forward to listening to the Minister's response.

2.11 pm

Sarah Teather (Brent, East) (LD): I shall be extremely brief, because I want the Minister to get through his speech so that the Bill introduced by my hon. Friend the

[Sarah Teather]

Member for North Southwark and Bermondsey (Simon Hughes) can pass. I just wish to put it on the record that I support the principle of what my hon. Friend is doing. It does not seem at all sensible that section 106 can be used to improve the flowerbeds in a development adjacent to a brand-new building but not to improve the windows to prevent noise from the construction work or to prevent the howling gale that might happen because two tall buildings create a wind tunnel. That does not seem a sensible use of section 106. The Bill would be a helpful change to the law, and I hope that it proceeds to Committee so that it can be considered in detail.

2.12 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Shahid Malik): It is a pleasure to engage in this debate under your stewardship, Mr. Deputy Speaker. I welcome the opportunity to discuss the issues that the hon. Member for North Southwark and Bermondsey (Simon Hughes) set out in support of his Bill.

The supply of both homes on the private market and affordable homes is, of course, an important matter, as is the standard upkeep and maintenance of those homes. I know that in the hon. Gentleman's constituency in particular there are some real challenges to do with the provision of new homes and the maintenance of the existing stock. He made that point clearly.

Homes are the building blocks of our communities and affect our health, our wealth and our opportunities for happiness. The Government are committed to the fact that everyone should have access to a decent home at a price they can afford, whether they own or rent it. The basic propositions of the Bill are to increase the provision of market and affordable housing supply and to ensure that existing homes in need are improved to provide decent accommodation. Of course we support those aims. Indeed, they are already Government policy. However, we believe that the means to secure those objectives are either already available to local authorities by the use of section 106 of the Town and Country Planning Act 1990 or can be secured by other means. Although we support the overall intentions behind the Bill, which are laudable, we therefore do not support the Bill itself.

Simon Hughes: The figures cannot be disputed. Those that I have been given show that in London 350,000 households are on a waiting list. The figure for England is 1.75 million. Given that the Minister, like me, wants as many people as possible to live in a decent home, surely anything that allows any additional homes to be built or improved—even if it makes only a small contribution—must be a welcome addition to the rest of the Government's plan, which he will outline.

Mr. Malik: I will talk about decent homes later, and I am sure that I will answer that question. The hon. Gentleman mentioned decent homes earlier and the fact that the Government might miss their target for 2010. We are clear that well over 90 per cent. of the target will be achieved by 2010. In the past 13 or so years, we have reduced the number of houses that were not decent by about 1.5 million.

Bob Spink (Castle Point) (Ind): Central to the debate is the effectiveness and operation of councils' empty homes officers. Is the Minister convinced that they have sufficient powers and that councils give them enough funding to enable them to bring more homes, particularly in London, into use?

Mr. Malik: The debate about whether there are enough powers will continue, but I am sure that the hon. Gentleman welcomes the fact that the Government have initiated a new council house building programme throughout the country. It will help to ensure that there are more decent houses for people from all sorts of background. There are some acute challenges in London in particular.

Although we support the Bill's overall intentions, we do not support the measure. The proposed amendment to the 1990 Act is not required to deliver the outcomes that the hon. Member for North Southwark and Bermondsey seeks and could negatively affect the use of a valuable planning instrument. Section 106 agreements can already be used to secure developer contributions to the provision of new, affordable housing.

The Government have a range of other delivery routes, such as the decent homes programme, which I mentioned and to which the hon. Gentleman referred, for the investment needed to fulfil our aim to make all social housing decent. Good quality, affordable housing enables stable and secure family lives. We are all healthier, happier and wealthier when we have decent homes close to schools, health care and transport links.

It is not an issue just for families. Good housing can improve our social, environmental and economic well-being. It helps to create better communities that can attract investment and skilled workers. Getting the design right can also improve the environment and reduce our carbon footprint. Strategic housing decisions are critical to the life chances of the next generation. Increasing the supply of housing, including affordable housing, is a central priority for the Government, as is improving the existing housing stock, particularly making all social housing decent.

To achieve that, the Government have four strategic goals. They are to achieve a wide choice of high-quality homes, both affordable and market housing to address the community's requirements; to widen opportunities for home ownership, and ensure high-quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need; to improve affordability across the housing market, including by increasing the supply of housing; and to create sustainable, inclusive, mixed communities in all areas, urban and rural.

I will now talk about decent homes.

Simon Hughes: I hope that the Minister can deal with decent homes relatively quickly because the central issue is the Town and Country Planning Act. Does he accept that, although deals can be done between a developer and a council, which mean that a developer can build more social housing, the Bill does not stand in the way of that? It simply gives the local authority the freedom to say, "Whatever money we receive from the developer, we can choose whether to spend it on home improvement or home building." My hon. Friend the Member for Brent, East (Sarah Teather) mentioned home improvement. The choice would be for local councils. Surely the Minister and the Government support that.

Mr. Malik: The hon. Member for Monmouth, I think, touched on the dilemma in the Bill. Section 106 agreements are directly related to the development itself. If there were a central pot of money, it would undermine the rationale for those agreements, which is linked to the impact of the development in a particular geographical area.

The Government strategy to deliver decent homes is highly successful, and has improved the quality of life of people in millions of households. I am not sure why the decent homes programme is not championed more often, as its prime aim is to improve social housing standards and place greater emphasis on long-term asset management. In addition, it has delivered greater tenant involvement in housing management decisions; improved the choice of housing management provider; and provided support for tenants to improve their skills and open up job opportunities.

By 1996, a £10 billion backlog of overdue renovation work had built up as a result of past under-investment in social housing. In addition, an estimated £9 billion-worth of investment was necessary to modernise and improve local authority housing to a decent standard. I said earlier that more than 2 million homes were below the basic standard of decency, but the number of non-decent social homes has gone down by 1.5 million, and nearly 86 per cent. of social homes are decent.

Mr. Stewart Jackson: The Minister has confused me with my hon. Friend the Member for Monmouth (David T.C. Davies), who is much better-looking. Peterborough is my constituency.

We are in danger of meandering on to the issue of housing, but we are effectively considering secondary legislation to amend planning legislation. Given that the Government's main vehicle to deliver infrastructure is the community infrastructure levy, will the Minister comment on the article on the PlanningResource website this month, which showed that 80 per cent. of planning authorities are still unlikely to implement the levy?

Mr. Deputy Speaker: Before the Minister replies, the hon. Member for Peterborough has issued a salutary warning that we should concentrate on section 106.

Mr. Malik: In fact, I meant to refer to the hon. Member for Rugby and Kenilworth (Jeremy Wright), not the hon. Member for Peterborough (Mr. Jackson). I do not want to be the cause of compliments or insults—I will let people make up their own mind.

You are right, Mr. Deputy Speaker, to direct me to section 106, although it is obvious that we have a good story on decent homes, and I was keen to tell it. Section 106 is a vehicle for delivery. As the hon. Member for North Southwark and Bermondsey will know, section 106 agreements, also known as planning obligations, are private legal agreements between local authorities and developers. They can be attached to a planning permission to make acceptable a proposed development that would otherwise be unacceptable in planning terms. Such obligations can be used to prescribe the nature of a new development, for example, requiring a given portion of new market housing on a site to be provided as affordable housing. They can be used to compensate for loss or damage created by a development—for example, loss of open space caused by a new development. Finally, they can be used to mitigate the impact of a development, for example, through increased public transport provision, where the impact of new development puts pressure on existing services. That point was made by the hon. Member for Rugby and Kenilworth.

Philip Davies (Shipley) (Con) *rose—*

Mr. Malik: I have probably got the constituency wrong again.

Philip Davies: The Minister is getting to the nub of the matter. Section 106 agreements are often put in place after a large planning application has gone through, to try to help the local community and mitigate the worst effects of the application. Is he not concerned that the Bill might lead to another kick in the teeth for local residents, who see the money that is provided for mitigation being used to build even more houses?

Mr. Malik: The hon. Gentleman poses a powerful question. That is one of the dilemmas in the Bill. Instead of mitigating the impacts of developments for local communities that are directly impacted, the money could be used elsewhere, which completely undermines the rationale for the section 106 agreement in the first place.

Simon Hughes: That is completely not what the Bill would do. The local authority, representing the local community, would have the choice. If it thought that a community wanted a development, it could choose to proceed. Communities such as the Tyers or the Whites Grounds estates near London bridge would say, "We are very happy either to have our housing improved, or to see some local, affordable, suitable housing built as well as a very very tall office block." Local communities will be very supportive of that.

Mr. Malik: Of course, I understand where the hon. Gentleman is coming from with the Bill, but I will make the point once again that section 106 is drafted as it is so that there is no discretion for the local authority. If there were [illegible] is every likelihood that resources would drift [illegible] the areas that are directly affected by the development itself. That is the rationale of section 106. I understand the laudable objective of getting more housing or improving housing. We all support that, but that is not what section 106 ostensibly relates to. Proceeding with the Bill would take us in a direction with which most of us would be relatively uncomfortable.

Simon Hughes: Nothing in the Bill changes the present rules that mean there has to be a local benefit, just as under all section 106 agreements. Nothing will suddenly allow a council to move a development to the other end of its area as a benefit. Nothing will change, the Bill will simply allow a council to use the measure for housing, if that is what the council wants.

Mr. Malik: Debates get to a stage when people are just not going to agree—that is probably where we are now. That is not because I believe the objectives are not

[Mr. Malik]

laudable—they are—but the vehicle that is being used to achieve them is fundamentally inappropriate. I and other hon. Members have given some of the good reasons why that is so. I accept that our arguments have not penetrated as they might have done, but that is the hon. Gentleman's prerogative.

It is a long-standing principle that planning obligations should not be used purely as a means of securing for the local community a share in the profits of development. Likewise, planning obligations should not be used solely to resolve existing deficiencies, such as housing in poor repair. That is because planning obligations are intended to be used where there is a strong relationship between the impacts of a new development and the action required through section 106 to mitigate or compensate for them.

The Government's policy requires, amongst other factors, that planning obligations are sought only when they are relevant to planning; necessary to make the proposed development acceptable in planning terms; directly related to the proposed development; fairly and reasonably related in scale and kind to the proposed development; and reasonable in all other respects.

Local authorities use planning obligations to secure developer contributions towards a wide range of things, including land, transport and travel, open space and the environment, community works and leisure, and education. Around half the value of all contributions, however, is made towards the provision of new affordable housing in the form of either in-kind, on-site provision or by financial contribution to the local authority by the developer—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 26 February.

Business without Debate

DEVELOPMENT ON FLOOD PLAINS (ENVIRONMENT AGENCY POWERS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 26 February.

Bob Spink (Castle Point) (Ind): On a point of order, Mr. Deputy Speaker. I would be grateful for your advice. Would it be in the democratic interest for it to be on the record that the objection came from the Conservative Benches?

Mr. Deputy Speaker: The hon. Gentleman should be clear about what he is saying before putting it on the record. In any event, it is not a point of order for the Chair. He knows Friday procedure as well as I do.

Jeremy Wright (Rugby and Kenilworth) (Con): Further to that point of order, Mr. Deputy Speaker. I wish to clarify that the objection came not from the Conservative Benches, but from the Government Benches.

Mr. Deputy Speaker: I hope that we have now cleared that point up.

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES AND CREDIT UNIONS BILL [*LORDS*]

Bill read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

SECTION 5 OF THE EUROPEAN COMMUNITIES (AMENDMENT) ACT 1993

Motion made,

That, for the purposes of its approval under section 5 of the European Communities (Amendment) Act 1993, the Government's assessment as set out in the Pre-Budget Report 2009 shall be treated as if it were an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees).—(*Mr. Spellar.*)

Hon. Members: Object.

Antisocial Behaviour Orders

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Spellar.)*

2.32 pm

John Mann (Bassetlaw) (Lab): It is not with great pleasure that I have applied to discuss this topic this afternoon, because antisocial behaviour is probably the biggest plague of modern times. We can see from the Opposition Benches just how important and serious an issue it is to them. Those Benches have emptied, but Opposition Members will probably regret leaving, because I will later reveal statistical data on local authorities and their attitudes to antisocial behaviour.

First, I wish to discuss the positive. Much of this debate will concentrate on the punitive powers that need to be more effectively used—indeed, some local authorities are not using them at all. When we deal with antisocial behaviour, it is essential that we provide, especially for our young people, alternatives to hanging around on the street with, in their words, "Nothing to do at all." There is nowhere in the country where young people have historically had less to do in the last 30 years than the constituency of Bassetlaw. The local burghers have been good over the years at providing facilities for pensioners, and they are a strong lobby, not least on the local authorities. Indeed, they are a majority in absolute terms among the elected members, and have been for some time. Therefore, the pensioner voice is rightly heard. I like to pride myself on being one of the champions of pensioner issues across the country, but we must also ensure that local authorities give priority to young people. If we have areas with no cinemas and a lack of sporting facilities and other activities, the disrespect that we show young people is bound to rebound on to society.

I cite as a good example the shameful case of the cinema that Bassetlaw council first promised in 2002, as part of a planning deal—a very unpopular deal—with a large supermarket called Tesco and a developer called Henry Boot. In that plan, the council was to sell its land for an unpopular development by Tesco. The council then passed approval on the explicit basis that it would build a bowling alley and a cinema, aimed at young people in particular, with the moneys that it had received as a capital receipt. Despite the controversy, the plan was adopted. The plans were agreed and the money—£12 million—has been paid over.

The young people in Bassetlaw ask, "Where is our cinema? Where is our bowling alley?" Indeed, I have been asking that repeatedly over the past five years. I have been given promise after promise, but there is no cinema and no bowling alley. The council has put the money in its coffers—some would suggest that it needs some of that money, because of its failed speculation with Icelandic banks. However, even aside from the £8 million that the council unwisely invested in Iceland, that still leaves £4.5 million, which is more than sufficient to build a cinema and a bowling alley. The young people of Bassetlaw are asking this question, so it should be put on the record today: where are our facilities and why has our council not provided them?

But if that were not bad enough, on 23 December a planning application was considered for another supermarket, which would have created 1,000 jobs, including 400 this year, and a multi-sports complex, which would have brought the local football team—a team with 21 junior football teams, and therefore one involving a swathe of young people in the town—back to the town. Again, the said council decided to vote against that application. It is probably the only council in Britain that turns down jobs and youth facilities when offered them for free by the private sector. As one young man—an eight or nine-year old—said to me, "I'm part of Worksop Town: I'm one of the players. I want to play there. I want to see our stadium." That is about aspiration, and it is precisely such opportunities that are the antidote to the antisocial behaviour on which our councils, and particularly Bassetlaw, let us down.

However, punitive measures are also important. One would think that Bassetlaw and other such councils that do not invest in youth facilities would at least invest in dealing with antisocial behaviour. I have therefore taken the opportunity to make a freedom of information request of every local authority in the country, to see exactly whether the many powers that have been wisely given by the Government—I have actively and willingly voted in favour of all powers suggested while I have been a Member, and will do so in future—are being used. The Local Government Association, in a special briefing for this debate, says yes.

Bob Spink (Castle Point) (Ind): Antisocial behaviour is a particular problem in my constituency but, according to local residents, the council appears to be doing very little about it. Can the hon. Gentleman please tell me what the results of his freedom of information request say about Castle Point borough council and what it is doing about the problem?

John Mann: I am prepared to make my results public to the entire world, including the hon. Gentleman, although he might be a little disappointed that his local authority has chosen, illegally, not to respond to my freedom of information request. It is most peculiar that it does not even give priority to its legal requirement to respond to a request to provide such information. I must be more diligent in pursuing his council to ensure that it fulfils that legal obligation and provides him with the answer that it perhaps does not wish the world to see.

Of course, Castle Point begins with the letter C. If it began with the letter A, things would be straightforward, because no local authority beginning with the letter A has ever issued any antisocial behaviour orders of any kind. It so happens that overall control on every one of those authorities is held by a certain political persuasion, of a particular colour. That might be a coincidence—I have an analysis of the figures to lay before the House—but no authority beginning with the letter A has chosen to spend anything whatever on ASBOs.

Bassetlaw, as one would expect from my earlier remarks, has chosen to spend no money on ASBOs, despite the fact that we have a small number of nightmare households that ruin communities with their bullying, intimidation, vandalism and abuse. I could name those households; the police could name them; the council could also name them. Quite a number of them are in council accommodation, so why is the council—along with many others across the country—not using its powers? This applies not only to ASBOs. Many local authorities are not using their powers relating to waste, abandoned

[John Mann]

cars, fireworks and noise controls. It is as though they are bidding for the Olympics. Their figures for the past five years show five zeros: the five rings, the five doing nothings. We see this in authority after authority.

There are examples of good authorities, however. The city of Nottingham, an excellently run authority, has taken a lead in challenging antisocial behaviour and I give it particular credit for its zero tolerance policy with regard to the shameful gardens that some of its tenants used to keep but are no longer entitled to keep. The council is bringing up the neighbourhood. The same dysfunctional families and households are often involved in these practices as well. Often, the problems involve not the younger children but the older ones and the adults. The council has tackled those problems effectively. Manchester city council has also taken a lead in issuing ASBOs and using its powers inventively. It has given the bullies who hassle their communities more hassle in return than they give out. That is the direction that we need to take.

It is worth putting some figures on record. Sixty-one per cent. of councils that do not use ASBOs in a given year are Conservative administrations. It is no surprise that its Front-Bench Members have now disappeared. Twenty-five per cent. of the councils not issuing ASBOs have no overall control, 9 per cent. are Liberal Democrat and 6 per cent. are Labour. So the number of Labour councils not using this power is negligible, compared with the rest. The Conservative party has considerable control over local government at the moment, but these figures demonstrate that councils right across the country are not issuing any ASBOs at all. What support does that offer to the police? More importantly, what support are those local authorities giving to their communities, and to those embattled neighbours who have to live next door to the bullies, the abusers and the hasslers? They are the people who are being let down by those local authorities' refusal to use their powers.

I commend the range of powers that the Government have brought forward, and the extra resources that have been put in. The Government have given Bassetlaw council more money to deal with antisocial behaviour, but it still does not spend a penny on tackling the known thugs and bullies. These days, that should be a primary role for a local authority. Exemplars such as Nottingham or Manchester city councils should not stand out as beacons. What they are doing is not necessarily brilliant, but it is brilliant in comparison with everyone else. What they are doing should be mundane, humdrum, everyday activity. I do not want those people who give grief to our communities by targeting pensioners and bullying mothers with children to be given air and space in our communities. They should be clamped down on.

I would like to see civil and criminal powers being used against those thugs and bullies, and those people who torment others and who believe that they are beyond the law. I want those powers to be used against the households that become a centre and a catalyst for antisocial behaviour and attract young people—usually the 16 to 25-year-olds—to stay overnight, drinking and perhaps taking drugs. Small numbers of those young people use the households as a base from which to go out and terrify and intimidate their local community.

We need to get back control of our streets and that means we need effective policing. I commend Nottinghamshire police force, which, following my question to the Prime Minister and his action from 9 December, reallocated 84 police officers to the north of the county. It was about time that we got that number of police. It should not require an MP raising the issue in this House to get that level of policing; those police should always be there. Those police—good men and women who are doing their job and taking the brunt of challenging antisocial behaviour—need support from civil society, with local authorities using their powers as landlords, using their powers under the Clean Neighbourhoods and Environment Act 2005 and using the swathe of inventive powers that have been rightly given by this Government. I commend those powers, and I commend my report to those who are willing to look at it and hold to account local authorities that are refusing to put respect and pride back into their communities. Such authorities are not doing what they should be doing, which is leading as civil leaders, using their powers and tackling the bullies. I look forward to the Minister's response.

2.45 pm

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): I congratulate my hon. Friend the Member for Bassetlaw (John Mann) on securing the debate and, as ever, putting his case strongly and in encouraging terms. He has focused clearly on an important point, which is that, first and foremost, we should not be tolerating antisocial behaviour. Each authority, be it the police, a local council or central Government, should take action on that matter. On behalf of the Government, I commend the focus that he has put on the need not to tolerate antisocial behaviour and to use the many tools and powers available to ensure that we bear down on its causes and the consequences for communities. As he said, communities are often hard pressed by a small number of individuals who make life hell for their neighbours and the rest of their community.

I was particularly interested to hear of my hon. Friend's constituency experiences with Bassetlaw district council and to hear about the campaign that he is running—I only learned of it in this debate—for a cinema and bowling alley to be used to support an essential part of the alternatives to antisocial behaviour: positive activities for young people. I am sure that he will return to that with gusto outside the Chamber.

The key point that my hon. Friend raised was about the use of antisocial behaviour powers by local councils. I believe that a real effort is being made by many authorities across the country to use their powers in support of the police; we want the police and other agencies to use their powers to ensure that we bear down on this curse, which still persists in many areas. As he mentioned, this Government have introduced a range of powers over the past 11 or 12 years to help support the tackling of antisocial behaviour and to provide real powers—not just for the sake of it, but to provide a positive outcome for the communities that we all serve. My hon. Friend and you will know, Mr. Deputy Speaker, that acceptable behaviour contracts, antisocial behaviour orders, crack house closure orders, demotion orders, dispersal orders, intervention orders, parenting orders, premises closure orders and fixed penalty notices

are but some of the key powers that we have introduced since 1997 to help support communities. As my hon. Friend said, many authorities use those powers and penalties to try to make communities safer, and I pay particular tribute to Manchester city council and Nottingham city council, which he mentioned.

Let us consider the use of powers to tackle antisocial behaviour in just the six-year period between 2003 and 2009. During that time, nearly 15,000 ASBOs were used across the country; they were used not only by local councils, but by other agencies and organisations. Those ASBOs have had a real impact on antisocial behaviour in the communities in which they were used. They have been coupled with nearly 14,500 parenting contracts, 9,000 antisocial behaviour injunctions and nearly 50,000 acceptable behaviour contracts. Those are just some examples of powers not merely being put on the statute books but being used, in real time, by those with authority to make a difference on the ground.

I only heard the initial details of my hon. Friend's survey today, but I shall look at it with interest if he will do me the courtesy of sending me a copy. With officials in my office and my colleagues in local government departments and, potentially, in the Welsh Assembly, I shall consider those powers to assess how local authorities are using them. Ultimately, the use of such powers by local councils is a matter for them. They have the power to use them, and, dare I say it, rather like in the House of Commons, the constituents whom they serve have the power to press local councillors. Councils have the authority to use those powers in a positive way.

John Mann: I am an advocate locally of naming and shaming the bullies and thugs. Will the Minister consider naming and shaming local authorities? For example, 95 per cent. of Conservative authorities have never used the legislation to remove graffiti, 60 per cent. have never used the noise violation legislation and 85 per cent. of councils overall have never used the legislation on fireworks. Is it not time that the Government named and shamed those councils that refuse to use these powers at all?

Mr. Hanson: As I said, the use of those powers is a matter for the local councils. I would be interested to see my hon. Friend's figures because if there are real concerns on the ground, we need to consider what measures we can take with the police, local councils and other agencies to make a difference.

As my hon. Friend will know, the cost of not taking action is enormous, and not just emotionally for victims and financially for the wider community. Antisocial behaviour costs the taxpayer £3.4 billion a year, and many practitioners need to use their tools and powers to make a difference on the ground. When those powers are used, there is evidence that they make a difference. I would be interested to see the perception levels in the local authorities that my hon. Friend has identified to see whether there is a correlation between high levels of perception of antisocial behaviour and low levels of use of those powers.

Overall, the perceived levels of antisocial behaviour have fallen since 2003, when nationally they were 21 per cent. We had the British crime survey last week, which showed that 15 per cent. of the population felt that levels of antisocial behaviour were high in the last quarter—September 2009—for which we took a survey result. There has been a downward drive in people's concerns about antisocial behaviour and I would be interested to see whether there is a correlation between perceptions and action in the areas that my hon. Friend mentioned.

The use of ASBOs, in particular, has been essential in driving down the perception of such behaviour. In 2006, a National Audit Office report on antisocial behaviour found that 65 per cent. of individuals did not re-engage in antisocial behaviour after receiving the first intervention, and ASBOs are a key intervention. So an ASBO or other intervention stopped, immediately and permanently, the antisocial behaviour of 65 per cent. of people the first time around. After the second intervention, that proportion rose to 86 per cent. and, after the third, to 93 per cent. Those individuals who have been involved in antisocial behaviour desist from that after one, two or three interventions. The communities of which they are part, on behalf of which action has been taken, are safer and more confident. We see a rise in confidence in policing and local councils, and falling perceptions of antisocial behaviour. People see a difference in the quality of their lives.

The public can monitor such progress and do considerable work on the issue by looking at antisocial behaviour levels in their communities. I urge residents of Bassetlaw, Nottinghamshire and every other authority where they feel that these powers are not being used not just to raise those issues with their local councillor but to speak to the antisocial behaviour team, which they should have in their communities. I urge them to speak to their neighbourhood policing officer or their local constable, to use their local police non-emergency number and to look at the Government's website on antisocial behaviour, which is part of our commitment to those who are suffering from harassment. They should use the website to get in touch and ask why the powers are not being used to solve the problems. Those things should be locally driven as much as driven by central Government.

Last November, through the Justice Seen, Justice Done campaign, we launched a newly developed crime and justice website, part of direct.gov. That is a key way for people to access information about police, crime, justice and antisocial behaviour services. People can look not just to powers such as antisocial behaviour orders; they can nominate areas to be cleaned up by offenders, through the community payback and supporting services in the community schemes. With the policing pledge, those services are extremely important.

Antisocial behaviour orders work. In Grantham, for example, an individual called Leigh Buff was convicted in May 2007 of assault and public order offences. He was banned from the town centre at night. The antisocial behaviour team worked with him and a year after his order he was allowed to go into the town centre and has not been in trouble with the police since. In Stoke-on-Trent, a young boy of 11 was responsible for a third of all the antisocial behaviour calls the police received over three months. He even went as far as threatening to attack his father with a knife. He bullied another boy in school until his mother took him out of school. On receiving an ASBO, a parenting order and an individual support order, the behaviour stopped. Not only that, but the judge in question praised the work of the agencies in that area.

[Mr. Hanson]

There is real merit in antisocial behaviour orders. They have been shown to be of value and they work, but we need to do more. I shall indicate what the Government are doing to tackle antisocial behaviour more generally.

I hope the House is aware, as I am sure my hon. Friend is, that on 13 October 2009 the Home Secretary wrote to all crime and disorder reduction partnerships and community safety partnerships in England and Wales challenging them to develop and publicise minimum standards on antisocial behaviour, and communicate effectively to the public. That includes the use of ASBOs in the local community, and the expectation of their use. We need to take action to reduce perceptions of antisocial behaviour year on year; to give regular updates to the community about what is being done, which I hope will highlight the issues my hon. Friend mentioned; to offer support and practical help to victims of antisocial behaviour; to give residents proper rights of complaint; and to ensure that we take reports of antisocial behaviour seriously by recording and investigating and committing to keep victims informed of the action taken. I have set a target of March 2010 for all authorities to draw up those minimum standards. We are monitoring the work closely, and I suggest that my hon. Friend does the same. One of the key things we want to do is to get out the kind of information he has had to drag out through freedom of information provisions, so that local communities know what is being done in their area.

In 62 partnership areas where perceptions of antisocial behaviour are high—more than 25 per cent.—we have targeted specific support from the Home Office. Officials from my Department are meeting the partnerships, all of which are undergoing rigorous self-assessment processes. We are looking at their improvement plans to ensure that we up their ante on antisocial behaviour. In the next quarter, we shall be doing that in a very positive way. As part of those plans, members of the antisocial behaviour action squad from central Government are being deployed to proyide advice and support, and to ensure that tools such as ASBOs are not just on the statute book but are implemented, where appropriate, so that we make a difference.

My hon. Friend made the case for positive activity as well as for ASBOs. As he knows, three Departments—the Home Office, the Ministry of Justice and the Department for Children, Schools and Families—have a youth crime action plan, in which we are investing £100 million not just in visible policing after school or stay safe operations to make sure the streets are safe at night for young people, and not just in reparative community-based activity or engaging with hard to reach young people; we are also looking at doing the positive things my hon. Friend mentioned. We want to make sure that we provide activity on Friday and Saturday nights. I went to Liverpool in October to see Friday night activity there. Many activities were going on. A cinema had been hired by the local police and the partnership to ensure that young people, on a particularly difficult night—Hallowe'en—were offered alternative activities. That is important, and I commend my hon. Friend's plans for the use of a cinema in his constituency.

The Government will not tolerate antisocial behaviour. We have put plans in place to deal with it. Our record shows that the Labour Government have introduced measures which can and should be used. They are effective, they make a difference and they are being used across the country. They should be implemented as a way of reducing that dreadful activity where it occurs.

I am sure my hon. Friend's survey will highlight the issue in a constructive way. I will look at it and between us, no doubt, we can help to raise the level of activity—not for the council, the Government or Members of Parliament, but for those who are hard pressed in their communities by behaviour that we should not accept and which we need to stamp out. I commend my hon. Friend on raising this debate and I hope we can work together to take action on the issue.

Question put and agreed to.

3.1 pm

House adjourned.

Westminster Hall

Tuesday 19 January 2010

[MR. GARY STREETER *in the Chair*]

Musculoskeletal Conditions

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Mudie.)*

9.30 am

Paul Rowen (Rochdale) (LD): Good morning, Mr. Streeter. It is a pleasure to serve under your chairmanship for the first time. I thank the Speaker for granting me the opportunity of this Adjournment debate.

I declare a non-pecuniary interest as a trustee of the Arthritis Research Campaign, one of the largest medical research charities in the country, which is soon to be renamed Arthritis Research UK, which indicates the sort of work that it does. As a major research charity, ARC has pioneered much of the research on arthritis and many of the developments in its treatment, including anti-TNF drugs—tumour necrosis factor blockers—and has supported the medical research community in the UK.

The UK is a world leader in research into musculoskeletal conditions, which, unlike cancer and heart conditions, are not immediately life-threatening for most people. Sufferers are not traditionally the most vociferous in shouting about the shortfalls in care and their needs, but I hope that that is about to change with the advent of Arthritis Research UK, which has set 10 ambitious goals. They include ensuring that people with arthritis remain active; reducing the economic impact on patients, their families and the wider economy; reducing the number of deaths and severe complications of arthritis in all its forms; and reducing pain and disability in childhood arthritis, leading to a normal future.

I acknowledge the help and support of ARMA, the Arthritis and Musculoskeletal Alliance, of which ARC is a member, and particularly for the work of Ross Meek and Tony Redmond and their support and advice when preparing this debate. ARMA's report, "Joint Working? An audit of the Department of Health's musculoskeletal services framework", provided a major impetus for this debate, along with Dame Carol Black's 2008 review of the health of Britain's working-age population, "Working for a healthier tomorrow", the National Audit Office report "Services for people with rheumatoid arthritis", as well as my early-day motion 1930, which was tabled on 20 July 2009.

"Musculoskeletal conditions" is a broad term encompassing more than 200 problems affecting the muscles, joints and skeleton. They include sprains and strains, pelvic fractures, low-back pain, repetitive strain injury, osteoarthritis, osteoporosis, rheumatoid arthritis and chronic pain syndromes such as fibromyalgia and Marfan syndrome. Such conditions affect more than 10 million people, or one in four of the adult population, and last year the NHS spent more than £4.2 billion—more than £11 million a day—on their treatment, which is the fifth highest programme budget of all NHS gross expenditure.

Bob Spink (Castle Point) (Ind): I declare an interest in that my family is affected by rheumatoid arthritis. Does the hon. Gentleman agree that drug access is absolutely central to the problem, particularly the new biological anti-TNF drugs, and that their prudent and early use may not only help the patient tremendously, but have a massive societal and economic impact and reduce further costs for the NHS in the longer term? We must ensure that those drugs are used effectively and quickly.

Paul Rowen: I am grateful to the hon. Gentleman for making that point. I was about to come to the effect on society. I agree with him that early treatment—not just drug treatment, but other support such as pain relief and so on—is vital. This debate is different from most debates because I am not asking the Minister for huge sums of money for new miracle drugs; instead, I am asking that the available money be better co-ordinated and better used.

Dame Carol Black's report, "Working for a healthier tomorrow", which referred to the point made by the hon. Gentleman, found that musculoskeletal conditions are the most common work-related illnesses, costing society more than £7 billion a year. The Health and Safety Executive estimated that, in 2007-08, 28 million working days were lost in the UK, a quarter of them due to musculoskeletal conditions. In their response to Dame Carol Black's report, the Government said:

> "Every day, working people are calling on the NHS for support, especially for mental health and musculoskeletal disorders. We are committed to improving access to key services that are proven to be effective in helping people with these conditions manage their return to work."

That is a laudable aim, but ARMA found that 57 per cent. of primary care trusts had made no contact with the Department for Work and Pensions' pathways to work providers to ensure that local people were assisted back to work, despite Dame Carol Black's review finding that, once in receipt of incapacity benefit or employment and support allowance, those with a musculoskeletal condition had a greater probability of returning to work. The musculoskeletal services framework that the Government adopted in 2006 stated:

> "PCT's...are strongly recommended to make links with the DWP Pathways to Work pilots...being set up in their area",

but clearly, that has not happened. Making such links is an urgent priority if the Department for Work and Pensions is to get people on incapacity benefit back to work. The framework emphasises my point that this is not about needing new drugs or new money, but about using what is available to assist people to live normal lives.

Andrew George (St. Ives) (LD): I declare an interest, having suffered for 35 years with ankylosing spondylitis, a condition that my hon. Friend has not mentioned. The National Ankylosing Spondylitis Society has been considering the problem and I have been working with the society to make representations to the Government urging the introduction of a national clinical director of musculoskeletal conditions. My hon. Friend is entirely right in what he says about the Department of Health and the Department for Work and Pensions working together. That requires not extra money, but cross-departmental co-ordination to improve people's lives and to reduce the amount of benefit that is paid to support people when they are off work.

Paul Rowen: I agree entirely with my hon. Friend. I requested this debate because we could do a lot with the available money if there were better co-ordination.

In 2006, the Government published a framework for musculoskeletal services, "A joint responsibility: doing things differently". It did exactly what my hon. Friend says and was produced with input from a range of Departments, including the Department for Work and Pensions and the Department for Transport, to produce a co-ordinated response on dealing with such conditions. However, unlike other frameworks that predated and followed it, there was no clear standard or framework to guide the development of services for people suffering from musculoskeletal disorders. For example, despite one in five patients presenting with a musculoskeletal disorder, standards were not written into the GP contract, no network was created and no health tsar was appointed to ensure the establishment of a common framework. That is in stark contrast to diseases such as cancer or heart disease, where treatment, time frames and follow-ups have been rigorously applied nationally.

Funding for musculoskeletal conditions is incredibly variable across PCTs. ARMA reported a threefold variation in the average funding provided for each person with a musculoskeletal condition, ranging from £204 per patient in Camden PCT to £632 in Gateshead. In my region in the north-west, average spending in 2007-08 was £474 per patient, compared with a national average of £401. Only 18 per cent. of PCTs in the north-west reported that they had audited the outcomes of people living with long-term conditions such as a musculoskeletal condition, compared with a national average of 40 per cent. If we do not audit what happens to people and the services that are provided, how can we make the best use of the huge financial resources?

Only 25 per cent. of PCTs in the north-west reported that they had mapped the resources available to support people living with long-term conditions such as a musculoskeletal condition. Such mapping is a key recommendation of the musculoskeletal services framework, but again, the national average for that is only 16 per cent. In the north-west, 47 per cent. of PCTs have made links with local pathways to work—I mentioned that earlier. It is a key pledge and recommendation in Dame Carol Black's report, and we must ensure that it is done. On mapping and indicators, Bury PCT—which is next door to my constituency—was perhaps the most honest: in response to the ARMA questionnaire, it said that it did not use outcome indicators because there are no nationally agreed outcomes. Clearly, that is a glaring error.

At a meeting of the Public Accounts Committee on 23 November 2009 to consider the National Audit Office's report on rheumatoid arthritis; David Nicholson, the NHS chief executive, agreed that improving musculoskeletal services and outcomes was primarily about management and planning rather than additional resources. I hope that the Minister will assure us that we will see that co-ordination and planning to ensure uniformly good provision on the ground. There are huge variations between what is available and what patients can receive. In my view, Oldham PCT, which is next door to my constituency, is a beacon that shows what can happen when a primary care trust gets its act together and brings together teams of clinicians and support to assist people to live normal lives.

Yesterday, I visited the Chapel Allerton centre in Leeds, which has been supported by ARC and NHS research and is a model of the research community working with the NHS to improve clinical outcomes and services that are provided for people in the north of England. However, there is a totally unacceptable postcode lottery. Why should where someone lives or which condition they have determine the level of their treatment? That is unacceptable for cancer, where clear targets have been set—the Government are to be congratulated on that—so why should a condition that affects one in four of the working population and which, as I have said, costs the country dearly, not have the same co-ordination? Again, I emphasise that this is not about additional resources; it is about using what is available and better co-ordination.

We would like to see the following proposals, which were mentioned by ARC in its report and picked up by my hon. Friend the Member for St. Ives (Andrew George) First, to improve co-ordination and ensure delivery on the ground, we need the appointment of a national director to ensure that current and future initiatives have a strategic focus and to help to develop a proper musculoskeletal network across the country. Treatment should not depend on where someone lives or on a particular hospital or PCT in their area. People should get the early treatment that they need, which can make such a difference.

The second point, which was picked up by Dame Carol Black, is that because GPs are on the front line and many of their patients present with a musculoskeletal condition, there should be enhanced training for GPs, through both PCTs and centres of excellence, to ensure that doctors are kept up to date. A key Government response to Dame Carol Black's report set targets for that to happen.

Thirdly, we need better information about expenditure and outcomes, so that we do not have a repeat of the situation where Bury PCT reported that it did not bother measuring outcomes because there was no set standard. There must be agreed outcomes. If we have a standard on getting people seen within 18 weeks, why can we not do the same for people with musculoskeletal conditions, so that they know what they can expect? Another important point picked up in the ARMA report is follow-up: it is no good seeing someone within 18 weeks if they then have to wait six months for a follow-up appointment to see how they are getting on. People could move backwards.

The fourth thing we need is better information about spending and outcomes, including a common framework. Finally, we need to improve public awareness, so that people know where to seek treatment, what is available and what they should avoid.

We are not asking for a new miracle drug or for the Minister to commit billions of pounds to new research facilities—ARC already provides the bulk of such research. We are not asking for brand new hospitals, although a centre such as the one in Leeds is a model and beacon of what can happen. We are asking for co-ordination and better use of that £4.2 billion of resources, so that patients—our constituents—do not face a postcode lottery, but can go to a doctor where they live and be

guaranteed early treatment, continuing support, advice and, when they need it, a specialist centre. I do not think that that is a lot to ask in the 21st century.

9.48 am

Graham Stringer (Manchester, Blackley) (Lab): Good morning, Mr. Streeter. We occasionally see each other's post because our names begin with the same few letters, and it is a pleasure to serve under your chairmanship for the first time. May I congratulate the hon. Member for Rochdale (Paul Rowen) on securing this important debate? He made a comprehensive and compelling case, especially his last point about the introduction of a clinical director for musculoskeletal conditions. That is the first—possibly the most important—point that I want to make, and I would like an answer from the Minister.

When we look across the provision of health services in the country and see that there are 17 clinical directors—so-called tsars—it is difficult to see why, when there are 9 million to 10 million people suffering from musculoskeletal diseases and so much money is spent on them, we do not have a tsar for those conditions. That is particularly the case given that, as the hon. Gentleman explained, we could have much better services and, if we want to consider the economics and the effectiveness of it, better value for money if there was better integration and co-ordination of those services. If there is any doubt about that, he gave the figure that has been spent—£4.2 billion—and said that was a £600 million increase on recent budgets. Did that £600 million increase going into the budget for people suffering from those conditions lead to better outcomes? Rather tragically, the answer is no, which is another indication that we need better co-ordination of services.

When the Minister deals with the question of why there are 17 clinical directors for other services, but not for musculoskeletal conditions, will she tell us what criteria can lead to a decision to give us directors in other areas, but not in this one? If we consider the intensity of pain, the need for better provision and better co-ordination of services and the number of people involved, I cannot think of any criteria for setting up directors that would not include musculoskeletal conditions. That case has been well made and I look forward to my hon. Friend's reply.

I would like to focus on something to which the hon. Member for Rochdale referred—rheumatoid arthritis, which is an auto-immune disease. Many people do not know that it is an auto-immune disease and just think that that is a name for another kind of arthritis, which it is not. Approximately 500,000 people suffer from it and 26,000 new cases are diagnosed a year. About one third of the people diagnosed stop working within two years of diagnosis.

Professor Emery of Leeds university has said that rheumatoid arthritis is the most common cause of treatable disability. If one third of people diagnosed are out of work very quickly and it is a treatable disability, why is more not being done? The hon. Member for Castle Point (Bob Spink) made the point that many drugs are available now. We have gone through a process whereby analgesics were the main treatment. Then it was DMARDs. I have to look up what DMARDs stands for—disease-modifying anti-rheumatic drugs. We are now in a new era of biologics, and whereas DMARDs can lead to remission for a period, biologics—used either on their own or in combination—can lead to true remission. I keep returning to the point that the hon. Member for Rochdale made: not enough people are receiving that treatment as quickly as possible, and speed is important.

There have been four recent reports: the National Audit Office report, the King's Fund report, the new clinical guidelines from the National Institute for Health and Clinical Excellence and the ARMA report. All, in different ways, point to exactly the same solution to the problem. Diagnosis does not take place quickly enough. There is not co-ordination and integration of the different services that sufferers of rheumatoid arthritis need. Public awareness, so that people go to their GPs quickly, is not what it should be, and GPs themselves have a low awareness of rheumatoid arthritis.

I shall give some statistics, as the hon. Gentleman did, that apply to my own city and constituency, but if we go back to the previous statistics and do the division sums, we see that about 40 or 50 cases a year are presented to GPs per constituency and that that is less than one case per GP. If there are 800, 900 or 1,000 sufferers per constituency and less than one case per GP per year, it is not really surprising that GPs are not as aware as they should be of the disease. It was a very strong recommendation of the National Audit Office report, supported when the Public Accounts Committee had its hearing, that GPs be made more aware of it.

I then looked at the statistics applying to Manchester, and in a way, the situation is worse than a postcode lottery. The figures vary, from £95 being spent per patient in Lewisham to £1,379 spent in west Cheshire. It is an extraordinary range, with an average of £407. In Manchester, £348 is spent per patient. We have to ask why. We do not expect exactly the same amounts of money to be spent, because there are different areas of the country, different conditions and different patients, but there can be no justification for that extraordinary range of expenditure by different primary care trusts. In terms of the previous statistics, Manchester is not a bad primary care trust. On the four things that it was asked to do, it did not audit outcomes, like a majority of primary care trusts, and it did not map the resources available, but it did link with the pathways to jobs and it did assess the clinical services, so it was a very mixed report. However, there can be no justification for the range of input of cash and not checking the outputs in the service.

It is clear that the musculoskeletal community—that sounds bizarre, but it is the community that deals with people suffering from rheumatism and arthritis—has three main demands. One, as I have explained, is for a clinical director. The others are for an update of the musculoskeletal framework and, partly to deal with the lack of co-ordination and coherence of the service, for stronger commissioning of the services from primary care trusts. I cannot see how the Minister could not respond positively to those very reasonable demands.

I shall finish by thanking the British Society for Rheumatology for providing some of the statistics and information that I have used and by reflecting on the first point that the hon. Member for Rochdale made, about shouting loudly. I first became involved in campaigning on health issues in the 1980s, when members

[Graham Stringer]

of the Government and certain editors and members of the tabloid press thought that HIV and AIDS were not an infectious disease, but a moral condition. Trying to get the right treatment and services for people was a major campaign in the 1980s, as was getting the public health information out, but it made me realise that there is not an objective set of criteria in the Department of Health—there is not some philosopher king sitting there, deciding on the allocation for brains, kidneys, livers and cancer. The apportionment of resources partly depends on how loudly both the advocates on behalf of particular patients and the patients themselves shout.

Today, the Minister is hearing those who represent sufferers of arthritis, rheumatism and rheumatoid arthritis shouting on behalf of patients. They are not necessarily asking for more resources, but want more direct and better co-ordination of services to ensure that we have better health service delivery to patients.

10 am

Dr. Richard Taylor (Wyre Forest) (Ind): It is a pleasure to speak under your chairmanship, Mr. Streeter. I am grateful to the hon. Member for Rochdale (Paul Rowen) for allowing me to climb on to one of my hobby-horses, although I shall try not to detain hon. Members for too long. My interest in this issue comes from the fact that I have spent a large part of my professional career battling on the side of patients with the inflammatory arthritises, so I am pleased to be able to speak.

I will talk under four headings, the first three being diagnosis, management, and work capability assessments for people with long-term conditions. I will then repeat the recommendations that were made so eloquently by the hon. Gentleman and the hon. Member for Manchester, Blackley (Graham Stringer).

Diagnosis is one of my hobby-horses. How can we treat anybody in medicine unless we have the correct diagnosis? Right at the beginning, we have to divide the musculoskeletal disorders into two groups: the inflammatory illnesses, which can lead to crippling deformity and disability, and the disorders that are due to acute strains, backache and degenerative change.

The word "arthritis" is an absolute bugbear. When a GP tells somebody that they have arthritis, they immediately leap to the conclusion that they have the worst sort of progressive arthritis. The word needs explanation. I have looked at the current dictionaries and, to my great relief, the "Chambers", "Oxford" and "Webster's" dictionaries all get the definition right. They define arthritis as a disease that causes painful inflammation and stiffness of joints, which is absolutely right. When I look at "Black's Medical Dictionary", however, it says:

> "Arthritis refers to any condition of joints of the limbs or spine associated with inflammation or structural change".

Straight away, it lumps osteoarthritis—degenerative change—with all the other conditions. We really should have a campaign on that to ensure that people with a degenerative change or a strain change realise that it is not potentially progressive.

If we are to have better diagnosis, as has been said, we need better training for students, refreshers for GPs and greater awareness among people more generally. As with the cancers, there is a group of common symptoms that presents for the inflammatory arthritises. The first is stiffness that is much worse in the morning. Anybody who has painful joints with swelling, morning stiffness and signs of inflammation has an inflammatory arthritis, and they will have to jump up and down until their GP organises the basically simple blood tests that will confirm that they have an inflammatory illness. If it is potentially progressive, the earlier it can be tackled, the better.

Andrew George: The hon. Gentleman hits the nail on the head—early diagnosis is a significant issue. I mentioned that I have ankylosing spondylitis, but I was not diagnosed for six years. Late diagnosis is a common concern, particularly as the condition progresses a great deal. However, the problem goes across the specialties, because AS can present as iritis or in other ways. Will he comment on the idea that we need to work across the specialties? This is not just an issue for rheumatology; the specialties have to talk to each other.

Dr. Taylor: I thank the hon. Gentleman for his intervention. Ankylosing spondylitis is a very specific and interesting inflammatory arthritis, but it needs early diagnosis. The treatment for most back pains is "Put 'em to bed and rest 'em," but somebody with ank spond who is put to bed to rest will stiffen up. We see people walking around who were treated years ago yet even now have stiffened up in a hopelessly bent condition. When I was in the Air Force, I had to treat a high-ranking officer with ankylosing spondylitis. He had been treated badly and had curled up. The only time he was comfortable was when he was lying in a fighter aircraft, in which pilots would lie with their feet stretched out and their head looking in the same direction. Amazingly, this chap was still allowed to pilot an aircraft.

Dr. John Pugh (Southport) (LD): The hon. Gentleman says that there is a simple blood test to establish whether people have rheumatoid arthritis. Given that, why does the NAO report say that many GPs are quite slow to make a diagnosis?

Dr. Taylor: I thank the hon. Gentleman for his intervention. I actually said that there was a simple test to determine whether an inflammatory process was going on, not whether someone had rheumatoid arthritis. Obviously there are tests for rheumatoid arthritis, as the Minister knows, but the crucial thing is the simple test for inflammation.

I hate to put it like this, but ankylosing spondylitis is one of the most interesting of the inflammatory arthritises for the doctor treating it, because it affects so many bits, although I will not describe all those that it could affect for fear of upsetting the hon. Member for St. Ives (Andrew George). However, it is vital that an early diagnosis is made, and anti-TNF drugs are useful in treating this condition, too.

I now turn briefly to the management of conditions. Obviously, everything depends on the diagnosis. Although I want to concentrate mainly on the inflammatory arthritises, it is now recognised that the medical profession treats backache badly, and some osteopaths and alternative practitioners are probably just as good, if not better. On the inflammatory arthritises, however, it is crucial that sufferers are treated by a multidisciplinary team. Gone are the days when someone saw a consultant rheumatologist and that was that. People must have specialist nurses, physiotherapists, occupational therapists, podiatrists and ready access to psychologists and orthopaedic surgeons.

There are huge worries about such provision, however, given that financial resources will inevitably be reduced over the next few years. The attack will come on specialist nurses and physios—

The Parliamentary Under-Secretary of State for Health (Ann Keen) *indicated dissent.*

Dr. Taylor: I am glad to see the Minister shaking her head because physios and occupational therapists are always seen as low priorities when we talk about emergency medicine and emergency surgery and it is important that we protect them.

Obviously, I have seen huge changes in treatment during my professional life. Until about 15 years ago, disease-modifying drugs were very toxic and not that effective. We had things such as gold and penicillamine. Then we had methotrexate, which was quite a breakthrough. Recently, we have had the unbelievable advance of the so-called biologicals, which have been mentioned. When they work, they can be almost like a miracle, but they require careful follow-up and specialist staff, particularly specialist nurses, are needed to do that follow-up. With such conditions, people cannot be referred back to primary care for follow-up unless the GP has been specially trained in following up people on anti-TNFs, so they have to be followed up by the specialist in the hospital.

The take-up of anti-TNF drugs has been mentioned. I was at a meeting of the National Rheumatoid Arthritis Society last February at which Professor David Isenberg, a consultant rheumatologist at University college London, said:

"Postcode prescribing results in huge variations across the country. Why does it happen that one patient can get a NICE-approved drug straight away, but for another patient they might have to wait three months?"

He added:

"So far as the anti-TNF treatments for RA are concerned, only 5-10 per cent. of UK patients are receiving them, despite NICE approval."

That was virtually a year ago, so I hope that the Minister will tell us that things are better now.

Hon. Members have already mentioned the crucial importance of better records and information—I echo those comments. As for employment, since emphasis was placed on capacity for work rather than incapacity, and since the change from personal capability assessments to work capability assessments, I have heard several complaints about the nature and accuracy of the medical assessments, particularly for people with long-term conditions. The tests are performed by a firm called Atos, and some of those about which I have heard complaints have been overturned on appeal. I wonder whether the Minister has received complaints about those medical assessments, and especially about lack of notice. I was so concerned that I wrote to the Department for Work and Pensions, and I received a reply from the Under-Secretary of State for Work and Pensions, the hon. Member for Chatham and Aylesford (Jonathan Shaw), who is the Minister responsible for disabled people. A particular concern was that medical evidence that had been submitted was not really taken into account. The Minister wrote:

"The guidance for examining healthcare professionals specifies that they are required to read and consider all the evidence on file in preparation for the interview with the claimant."

I also wrote to Dame Carol Black and she passed the letter to the chief medical adviser for the DWP, Dr. W. J. Gunnyeon. He replied:

"The healthcare professionals carrying out the WCA receive training tailored specifically to the task of carrying out the assessment...As the purpose of the assessment is to identify the functional effects of those conditions, the specific training which they receive focuses on disability analysis."

The reply from Atos was:

"It may be beneficial if I explain that the HCP provides their medical opinion based on the documentary evidence, the interview and observation of the customer and on an appropriate medical assessment".

We therefore have it absolutely straight that the previous illness and medical evidence must be taken into account. I should be interested to hear from the point of view of the Department of Health whether the Minister has had complaints about such assessments.

Paul Rowen: Does the hon. Gentleman accept that with more than 40,000 appeals against assessments, and given that the process is continuing, something must be seriously wrong with the system?

Dr. Taylor: I am grateful for that intervention, because I did not realise that that was the number. I am encouraged to think that it is worth hon. Members continuing to take the matter up with Atos and the Department. There is nothing more distressing than seeing someone with a genuine, very long-term condition being put through unnecessary appeals. I know of one case when that happened once and then again the following year, and the person concerned won the appeals.

Dr. Pugh: The situation is even worse than the hon. Gentleman suspects. People in my area were called for interviews to a building with no disabled access, so people with very serious complaints could not get in to establish that they were disabled.

Dr. Taylor: I thank the hon. Gentleman for raising that.

I must finish, so I shall summarise my points. A priority for people with long-term conditions that has not been mentioned is prescription charges. Professor Ian Gilmore of the Royal College of Physicians is carrying out a study on that, and I wonder whether the Minister has any inkling of when the report will be published. As patients with cancer are being excused prescription charges, I hope that the same will go for people with long-term conditions.

I support the wish for a national clinical director. Cancer and cardiac care have come on tremendously, at least in part because of the appointment of the clinical directors. In the case of the inflammatory arthritises, we have the almost miracle of anti-TNFs, which can be equated with the huge advances that have happened in cardiac care. We want someone to push forward so that such drugs are rapidly made widely available. We have mentioned training, public awareness and better information gathering. If the Minister addresses all those things, we shall have done some good for people with long-term conditions, particularly the musculoskeletal ones.

10.16 am

Dr. John Pugh (Southport) (LD): It is a pleasure to serve under your chairmanship, Mr. Streeter. I think that this is the first time I have done so. I am sure that your elevation was recent, and it is certainly well deserved.

[Dr. John Pugh]

I congratulate my hon. Friend the Member for Rochdale (Paul Rowen) on initiating this important debate and taking up the cudgels on behalf of musculoskeletal sufferers. This is clearly an important topic, but it is also, as my hon. Friend made clear, a huge one, covering a range of conditions, some of which have clear and definite physical symptoms that can be seen on an X-ray, and some of which, such as fibromyalgia, are rather more difficult to tie down, and to treat. The topic is huge also in the sense that it involves 10 million people in the UK. It is important to the sufferers, who endure daily torment, but also to the nation. The National Audit Office report established that better treatment of rheumatoid arthritis could save the nation £1.8 billion, and we could do with an extra £1.8 billion at the moment. Apparently, £7 billion is lost to the economy from all musculoskeletal disorders.

It is important that the NHS should get the treatment of those 10 million sufferers right. All the research that I have looked at identifies a crucial role for primary care to play—particularly GPs. The NAO report, which I think centred exclusively on the issue of rheumatoid arthritis, said that there was sometimes a nine-month wait between when symptoms first occurred and the start of treatment, which made quite a difference to long-term outcomes. If things are not got right in the early stages, the disease will progress more rapidly, with more damage. There is thus a crucial role for primary care.

The literature makes it apparent that there is a crucial role for the primary care trusts. In every PCT worth its salt, there is talk about the expert patient initiative—and voluble talk about how long-term conditions can be managed by the patient and practitioner together. Much of that, however, going by evidence presented by my hon. Friend and others, is lip service, because there is not effective bespoke commissioning everywhere.

PCTs without such commissioning can learn something from those where it exists about employinginterventions that work—because things are not going that well in the national health service. According to statistics given to the Liberal Democrats under the Freedom of Information Act, in the past three years, 3,337 NHS staff with a range of conditions, the bulk of which were of the musculoskeletal kind, went for treatment outside the NHS. That leads one to be suspicious about whether they were able to find good enough treatment wholly available within the NHS. Then, of coure, there is the collateral damage to the ability and confidence of those affected. There is also the unspoken probem of mental health. People who cannot move very wll and do not feel very good about themselves may suffer nore frequently with depression and the like.

Three quarters of people diagnosed with rheumatoid arthritis are found to have it while stil at working age—a point made by the hon. Member for Manchester, Blackley (Graham Stringer). When identifiex, the prognosis is rather dim. They end up being off vork for long periods and, worse still, sometimes without much sympathy. The back has always been the passport for malingerers wanting to get out of a job, so those who have a genuine problem with their back do not necesarily get the sympathy that they might receive if they had another sort of complaint.

Given all that, an awful lot of people tend to be plain philosophical. My mother suffers with rheumatoid arthritis, but she just gets on with it. She moans about it from time to time, but she does not do anything about it. She regards it as an occupational hazard of getting old. She does not like us drawing attention to it, because its disfiguring aspect upsets her. She prefers to ignore it and get on with her life as best she can.

It is obvious that if such conditions are allowed to develop unchecked, they will become severely disabling. There are knock-on consequences for other aspects of health. For instance, the cardiovascular system can be affected, and mental health problems can occur. If it is unchecked in the nation—or at least not well checked—it could have a huge social and financial impact.

What needs to be done? We obviously need to tackle the problem with more urgency. We also need something that was alluded to earlier—a recognition that we need more diversity. If 200 different problems can be encompassed in musculoskeletal conditions, as we were reliably told by my hon. Friend the Member for Rochdale, and I believe him, it is unlikely that they can all be resolved with the same solution. Various professionals will be involved in the treatment—physiotherapists, physiologists, occupational therapists, and even acupuncturists and bone surgeons—but it is important to recognise that it is a diverse problem that requires a range of solutions.

My hon. Friend spoke of the need for more co-ordination and coherence, and we cannot argue with that. Certainly a good interconnection is needed between those who prescribe and those who manipulate, between the secondary and the primary sectors and between the workplace or the Department for Work and Pensions and the surgery.

The literature that I have seen does not demand that the Government do something new, but they have been asked in parliamentary questions whether they have any intention of updating the musculoskeletal framework. They responded in various ways. They did not reject the need to do something, but they pointed out that they are committed to improving care and outcomes for people with long-term conditions. They said that they want to improve the quality of service in a safe and effective way; that they will start fit-for-work pilots; and that they have learned something from "Working for a healthier tomorrow". All those things were said in answer to parliamentary questions, but clearly not to the satisfaction of many hon. Members here today.

I have a small element of sympathy for the Government. We can give too much credence to a framework, as though it would magically abolish the problem—as if, once it is in place, and the tick-box exercise has started, everything will be better. I an anxious that the Government may be too firm and overarching in dictating local priorities, as all hon. Members would want to support local provision.

I have a little sympathy with the Government's wish to conduct pilots. Before they tell people what to do, they genuinely need to know what is best practice and what works best. The problems that we are debating are slightly different from those linked to cancer, which was mentioned by my hon. Friend. For a start, there is greater variety. I know that cancers vary, but musculoskeletal conditions vary even more.

Some people may fear that pilots will become a substitute for action—that a pilot is doing something about a problem to which the Government have been alerted. There is clearly no need to pilot certain things. For example, as the hon. Member for Wyre Forest (Dr. Taylor) said, key conditions such as rheumatoid arthritis are well understood and are relatively easy to diagnose. We do not need to reinvent the wheel. The challenge for the Government is to act on National Audit Office findings and the many representations made here today and by the associated bodies and charities that support people with such conditions. Unless we take another hard look at ensuring effective action to deal with the problem, we will be wasting money and wasting people's lives. We will also be wasting known medical expertise.

10.25 am

Anne Milton (Guildford) (Con): May I say what a pleasure it is to serve under your chairmanship, Mr. Streeter? I apologise for my loss of voice, which may mean that I shall be brief.

I congratulate the hon. Member for Rochdale (Paul Rowen) on scoping out so well some of the issues that face those with musculoskeletal problems. "Joint Working? An audit of the implementation of the Department of Health's musculoskeletal services framework" by the Arthritis and Musculoskeletal Alliance quoted a number figures, as have several hon. Members who have spoken today. I shall try gather them together—they vary, but I hope to show at least some of the range.

The ARMA report noted that musculoskeletal conditions place a significant burden on the NHS, accounting for between £3.5 billion and £4.5 billion of NHS spending every year. They also cause a loss of working days every year: we were given a figure as low as 11 million but it could be as high as 28 million. The report expresses concern, which is shared by hon. Members who have spoken in the debate, that the Department of Health's musculoskeletal services framework has been implemented inconsistently, and recognises the variations in standards of care across the UK for patients living with those conditions. That concern should be addressed. The report also calls on the Government to consider the recommendations, and I am sure that the Minister will want to respond to them.

There are between 150 and 200 musculoskeletal diseases and syndromes, which are usually but not always progressive and which are associated with pain. Indeed, a number of hon. Members here could say that they have at some point suffered from a musculoskeletal condition, albeit minor—except for the hon. Member for St. Ives (Andrew George), who is no longer in his seat, for whom it is more significant. Such conditions result from trauma and inflammation or a number of other factors. Rheumatoid arthritis, osteoarthritis, osteoporosis, low-back pain, and limb trauma are particularly significant.

More than 50 per cent. of the population have reported musculoskeletal pain at one or more sites for at least a week. Population surveys show that back pain is the most common site of pain, and the prevalence of physical disability is higher in women than in men. It increases with age; 60 per cent. of women aged over 75 who live in the community have reported some physical limitations. In individuals of working age, musculoskeletal conditions, particularly back pain and generalised widespread pain, are a common cause of sick leave and long-term work disability. Hence, they are a big problem for the individuals affected and have significant economic consequences for society.

Rheumatoid arthritis, osteoarthritis and osteoporosis are associated with loss of independence and sufferers require more support in the community or admission to residential care. Between 15 and 20 per cent. of GP consultations are about musculoskeletal conditions—they take up a significant time in GPs' surgeries—and many of those people are referred to allied health professions, such as physiotherapists, occupational therapists or chiropractors. We should not underestimate the huge impact that such professionals have in improving the life and prospects of people with musculoskeletal conditions. Then we have the rheumatologists, orthopaedic surgeons and the rehabilitation specialists, of whom the hon. Member for Wyre Forest (Dr. Taylor) is one—we always welcome not only his professional expertise but his significant contribution to debates such as these.

In most European countries, total joint replacement—knee or hip—is one of the most common elective operations for old people. We are therefore talking about a significant disease that has a significant impact on our economy and the well-being of the people in this country. Much of the treatment is not complex: massage, physiotherapy, drug self-management and vitamin or mineral supplements are all used to relieve pain. As the disease progresses, joint surgery and more complex drug treatment are also necessary.

In 2006, the musculoskeletal services framework recommended offering care closer to home, with improved ways to access diagnostic services. The document aimed to help local health communities to improve orthopaedic services and to deliver a waiting time of 18 weeks. However, as hon. Members have said, there are problems about diagnosis. Setting a target of 18 weeks may be laudable, but the clock starts ticking only when a patient has that much-needed diagnosis.

The musculoskeletal services framework dealt with such issues by describing best practice, which is built around evidence and experience. It also promoted a redesign of services, full exploitation of skills and roles, and better outcomes for people with musculoskeletal conditions through more actively managed patient pathways, as well as sharing of information and responsibility agreed between stakeholders in all sectors. The central tenet of the document was to provide the appropriate level of high-quality information, support and treatment to those with musculoskeletal conditions. Sadly, however, that is not happening.

If the problem is bad now, it will get worse with an ageing population. The associated problems, which have been touched on, are not just a loss of working days and the cost of musculoskeletal problems, but an increase in mental health problems. As people become less mobile, they become more isolated, and the burden is then placed on family and friends. I repeat: the problem will only get worse with an ageing population.

It is very hard for people with musculoskeletal conditions to get the attention they deserve. Despite the figures, public and media attention is often difficult to grab. Questions continue to be raised about whether GPs always recognise the problem—I have already mentioned the problem of diagnosis. We must focus on GP training

[Anne Milton]

and continuing professional development. Complaints about diagnosis relate not only to musculoskeletal conditions, but to illnesses such as epilepsy and asthma. It is an area that we must get right. I know that a great deal is put on the plate of GPs, but it is vital that they continue their professional development and that we continue to emphasise the importance of early diagnosis.

I smiled to myself when the hon. Member for Wyre Forest mentioned multi-disciplinary teams. Multi-disciplinary teams go in a little box of things that I remember coming into being in the early 1980s, when I was a district nurse—the Minister may share this memory. Like many things from 30 years ago, the idea appears to have languished on the beaches—although it is often mentioned in documents, it is, sadly, rarely put into practice. There is no doubt that multi-disciplinary teams have a huge role to play in treating musculoskeletal conditions. We need to see them working on the ground. The teams need a lot of leadership from not just Government but local PCTs and GP practices to ensure that they play their part in treatment.

In my party, we have talked about speeding up National Institute for Health and Clinical Excellence drug appraisals; that is critical, particularly in the later stages of treatment. If that were done, fewer drug cases would have to go to exceptional cases panels, because PCTs would have earlier guidance on what should be prescribed for such conditions. We also believe that the societal costs of disease should be taken into account in NICE appraisals. That is particularly relevant for people with musculoskeletal conditions.

Individual budgets have a crucial role to play. If someone with a long-term condition who was living at home could be assessed through a single assessment process, which incorporated both health and social care needs, a "pooled budget" could be determined for them. The calculation of the budget would consist of two parts: one would relate to social care and be means-tested, the other would be health care-related and free. Based on that, an individual and their carer would be given the flexibility and empowerment—most important if one is suffering from a long-term chronic illness—to choose their providers and where they get the care to alleviate their problems. They should be able to exercise that flexibility across the social and health care divide.

Giving real choice to patients and allowing professionals to decide on the best strategies for providing health care will not be possible unless GPs, patients and providers can access sophisticated data about the performance of treatments, hospitals and doctors. I am confident that the provision of high-quality information, available in the public domain and presented to patients by GPs, will make the providers of NHS care truly accountable to patients and improve the standards of care. I am even more confident that, as information drives greater choice for patients, so patients' experience of their health care will improve.

Some 20 to 25 per cent. of our constituents suffer from musculoskeletal problems, and they account for one in four visits to GPs. Up to 28 million working days a year are lost due to musculoskeletal problems, which is some 22 per cent. of our long-term capacity. Will the Minister tell us what the Government have done and what they intend to do to resolve the huge range of problems?

ARMA states in its audit of PCTs that only 60 per cent. of those responding have mapped resources for long-term conditions and their use by people with musculoskeletal problems. Some 60 per cent. of PCTs have not audited outcomes, which is shocking, and 57 per cent. have not linked up to local pathways-to-work schemes. Most important, David Nicholson, the chief executive of the NHS, agreed that improving the outcomes for people with musculoskeletal problems was about management and planning rather than additional money. That is a joy to the ears of all of us in these very difficult financial times. We have a chance to improve the mobility, the well-being and the productiveness of millions of people without additional costs.

I have a number of questions for the Minister. What can be done to improve the working practices affecting sufferers of a musculoskeletal condition? According to a survey by the Office for National Statistics, the majority of MSC sufferers over 60 do not have access to health services due to a lack of information and help from their GPs. What can be done to ensure that those who need both information and care receive them? Is the Minister aware—this was also raised by the hon. Member for Manchester, Blackley (Graham Stringer)—that the King's Fund report of 2006 found that spending on musculoskeletal problems varied eightfold across PCTs in the country?

The Minister must also be aware from work on the Government's musculoskeletal services framework that MSC patients have endured some of the longest waiting times for hospital care and have, in many areas, faced fragmented and incoherent services that provided poor access to care. Four years on, can the Minister tell us what has happened and what she is now doing to address the situation? Will she also say why the Department of Health does not take a clinical lead? I mentioned leadership earlier and said that leadership must not only come from Government, but that a Department of Health clinical lead would have a significant impact by giving people and their musculoskeletal problems the attention that they deserve. Finally, what steps is she taking to improve commissioning of services?

10.40 am

The Parliamentary Under-Secretary of State for Health (Ann Keen): I begin by congratulating the hon. Member for Rochdale (Paul Rowen) on securing the debate. I would also like to add my own tribute to you, Mr. Streeter, as we serve under your chairmanship today.

I want to acknowledge the gallant leadership that has been shown by the nurse sitting opposite me today: the hon. Member for Guildford (Anne Milton). In this debate, of course, we have heard from two nurses, in the hon. Lady and me; a physician, the hon. Member for Wyre Forest (Dr. Taylor); and a scientist, my hon. Friend the Member for Manchester, Blackley (Graham Stringer). I am not sure about some of the attributes that other hon. Members present have brought to the debate, along with their concern for their constituents, but they have been able to demonstrate their abilities and interests in this area. I also congratulate the hon. Member for Rochdale on his relationship, as a trustee, with the Arthritis Research Campaign. I applaud the imaginative title of "Joint Working?", the Arthritis and Musculoskeletal Alliance report to which that he referred.

Before I address in detail the concerns that the hon. Gentleman and other hon. Members have raised, I would like to recognise the excellent work of NHS staff that is taking place across the whole of Rochdale. Those staff are delivering a better quality health service than ever, which benefits the hon. Gentleman's constituents and those of other hon. Members.

It is estimated that nearly a quarter of adults and about 12,000 children are affected by long-standing musculoskeletal problems—with your permission, Mr. Streeter, I will refer to musculoskeletal as "MSK" throughout the rest of my speech. MSK conditions, such as rheumatoid arthritis, osteoporosis and other bone, joint, spinal and muscular diseases, can cause tremendous pain and anxiety to sufferers and their families on a daily basis.

When someone sees their GP with a suspected MSK problem, there is often no single diagnostic test that can confirm a particular condition, because symptoms can vary, as was set out earlier in the debate. For example, the symptoms of rheumatoid arthritis are similar to many more common conditions. The hon. Member for Wyre Forest gave a very good description of the symptoms that people might experience when they awake from sleep. As he did so, I looked around the Chamber and I could see Members and officials perhaps thinking, "Was that how I felt this morning?", as they awoke with stiffness and swelling of joints. It is very common for us to feel that anxiety about such symptoms with which we struggle in many areas of our life. Of course, "struggle" is what most people do if they have any of those conditions.

Early diagnosis of those debilitating conditions is essential, because if treatment is started early, the damage to joints can be minimised. There is an increasing amount of evidence that aggressive treatment soon after the onset of symptoms can lead to remission.

Hon. Members have quite rightly raised the issue of why some primary care trusts fund GPs with specialist interests while other PCTs do not. Some PCTs have alternatives to GPs with specialist interests. For example, we now have consultant-led teams working in the community and, as has been mentioned already, we also have nurse-led clinics that have access to a consultant.

For example, the Pennine MSK partnership in Oldham adopts a community-based approach. Norfolk and Norwich University Hospitals NHS Foundation Trust co-ordinates care between hospital departments, and GPs and nurses in the community. Of course, the very important physiotherapists and occupational therapists also play their role. As is the case with so many long-term conditions, there will now be a team approach to MSK conditions. PCTs need to decide how best to provide services with their local populations.

Commissioning is exceptionally important. World-class commissioning will help PCTs to align their more strategic priorities with the key health outcomes that will deliver for their particular local population. PCTs need to ensure that they commission the services that are needed for their patients.

In the Department of Health, we continue to work closely with key stakeholders to share this learning, because learning is what we are doing. We are learning how to treat long-term conditions of a very difficult—often chronic—nature together in the community. Therefore, good practice must be shared.

Dr. Pugh: I think that the Minister said before that diagnosis of some of those conditions is quite a complex matter and that it is not quite as simple as the hon. Member for Wyre Forest represented it earlier. Clearly, there will be differential patterns of success with regard to early diagnosis. What I want to know is whether there is a statistical basis for examining those patterns. In other words, are data collected on the success of particular practices, or particular PCTs, in the early identification of versions of rheumatoid arthritis?

Ann Keen: I hope that I will go on to demonstrate that, because we have published examples of good and innovative practice in MSK services. We have also introduced a national orthopaedic coaching programme, which is working with 80 NHS organisations across all 10 strategic health authorities, to spread learning across local health communities, to share good practice and to deliver improved services.

Dr. Pugh: The Minister is talking primarily about differentials in therapy or treatment—or whatever—and the variety of good and bad practice that exists in treatment. What I was wondering about was whether there was any statistical base for suggesting that there is good and bad practice in diagnosis, either in practices within the same PCT, or in PCTs themselves.

Ann Keen: I hope that I will demonstrate that as I progress. If my response is not sufficient, perhaps I could address the issue outside this particular debate.

What is being done to help GPs to understand the symptoms of MSK conditions? We are providing information for patients and professionals on the symptoms and treatment of a variety of MSK conditions via NHS Choices, NHS Evidence and the map of medicine. We are publishing good practice and commissioning pathways for inflammatory arthritis for PCTs to adapt locally. We are developing that programme to include a layer of information for patients to cover all aspects of their stages of treatment. Of course, it is very important that we remember that the patient is at the centre of this information-giving activity and that, in many instances, they will be very aware of all the information that they require, which might at times be a difficulty—not a threat, but a difficulty—for some health professionals who have less knowledge of this particular subject than others.

We are attending events across the country to promote the 18-week commissioning pathway for inflammatory arthritis. For example, the Department of Health recently attended a Nursing in Practice event in Birmingham to help to promote the pathway and information about rheumatoid arthritis among primary care nurses. We also attended the National Association of Primary Care conference to promote good practice among a wider audience, including GPs, PCTs and practice-based commissioners.

On rheumatoid arthritis specifically, we are working with clinicians and support groups to understand how awareness among GPs and the public can be raised. For example, we are considering how to support the Rheumatology Futures Group and the Royal College of General Practitioners to raise awareness of rheumatoid arthritis.

[Ann Keen]

NHS Choices is a comprehensive web-based information service that is intended to help the public to make choices about their health, from lifestyle decisions through to the very practical aspects of finding and using NHS services in England. It provides a wealth of information to patients and health care professionals on a wide range of conditions, including information on the symptoms and treatment of rheumatoid arthritis.

The map of medicine provides GPs with information to help them to determine the best possible treatment options for their patients, including information on the various patterns of onset, diagnostic tests and medical treatment of rheumatoid arthritis. It is a map of best available research evidence and of best-evidence clinical guidelines. It displays this knowledge in a pathway that is easy to use and presented in a particular format, reflecting the patient journey and providing a framework for developing local pathways.

The Rheumatology Futures Group is examining how to raise GPs' and primary health care professionals' awareness of inflammatory arthritis, including through educational material for GPs and practice nurses to increase awareness of early inflammatory arthritis in primary care. It is also examining pharmacists encouraging their patients who attend regularly for analgesic medication to seek advice from their GP, if inflammatory arthritis is a possibility. That is a different approach, as I am sure hon. Members will recognise. If someone regularly attends a pharmacy for anti-inflammatory painkillers, the pharmacist could ask, "Have you been to your doctor?" From all the evidence that I have described, it is evident that there is a willingness, a desire and a need to treat MSK conditions differently.

Hon. Members have rightly mentioned the economy and Dame Carol Black's review. We agree on the importance of early diagnosis, and PCTs need to work with their providers. In our response to Dame Carol Black's review of the health of the working-age population, "Working for a healthier tomorrow", the Government set out a number of new and existing initiatives to support people entering, staying in or returning to work.

Pathways to work, which is available to all individuals claiming benefits due to a health condition or disability, offers a mixture of mandatory interviews and voluntary programmes. I heard what was said about the interviews, how they are called and, in some instances, the ridiculousness, in terms of access, of where they are held—*[Interruption.]* I think that the hon. Member for Guildford has spread her throat infection rapidly across to me, although I am not sure how that has been achieved. The interviews need to be reviewed. I note the serious comments that have been made, not just as a Minister but as a constituency Member of Parliament, because I am also aware of some of the concerns.

The condition management programme, which is voluntary, is delivered by multidisciplinary health care professional teams to empower individuals to understand and manage their health conditions in order to return to work. We must recognise how difficult it is for some people in our communities to work. Employers must engage with adaptation, if necessary, or provide a different role in the workplace. We all know that working gives people not only a better income, but a better quality of life. As a nurse in the community and among my own friends, I have witnessed how easy it is for people with chronic conditions to become isolated, especially if it is one of the dreadful inflammatory diseases involving joint disfigurement that can lead to embarrassment about the way that one looks.

Leadership has been mentioned, and it is so important. I will put my cards on the table about the call for a national MSK clinical lead. Many requests have been made for champions for various clinical areas. Hon. Members can imagine how many people want a clinical lead for their speciality. As we announced last year in "High quality care for all", we decided to set up a National Quality Board to advise on future clinical priorities and what steps might be taken, such as the appointment of clinical champions, to promote clinical quality in identified priority areas. The National Quality Board recently conducted a stakeholder engagement on the criteria and process for setting priorities and the initial list of topics for consideration. Relevant NHS patient and professional organisations have been invited to suggest possible topics and submit evidence.

We felt that that was the fairest way to manage huge demand. We recognise the difference that champions have made in cardiovascular, liver and neurological diseases and in cancer. I understand what people are saying, and I can only suggest that Members continue to take note of stakeholder groups. The organisations to which they belong, and in which they play such an important role, will help.

Anne Milton: I appreciate that everybody wants a clinical lead, but does the Minister agree that drawing media attention to musculoskeletal diseases is particularly difficult? She mentioned heart disease and cancer, which get quite a lot of attention. Musculoskeletal conditions are a specific concern, particularly bearing in mind that they have such a huge impact on our society.

Ann Keen: I agree. Because those conditions are not perceived as life threatening, they are not considered serious. This matter is complex, but as has been said so well in this debate, the pain has a significant effect on quality of life, whether that is working life, social life or the life of a child approaching adulthood. It is important to take such conditions seriously and to consider what sufferers' futures hold for them. I believe that this debate will progress that, which is why I again congratulate the hon. Member for Rochdale on securing it.

Graham Stringer: I am listening carefully to what my hon. Friend is saying. I realise that, unfortunately, she cannot change Government policy on her feet in this Chamber. However, if I understand what she is saying—I would be grateful if she corrected me—she agrees with us and wants us to keep shouting for a clinical director, because the case is made and the Government just need to change their policy. Is that what she is really saying?

Ann Keen: That is a skilled way of using my words slightly differently. I laid my cards on the table and said what we were doing. I said that we were engaging with stakeholders. My hon. Friend will be able to engage with them and will, I am sure, continue to champion the issue in the way that he has demonstrated in this debate. He also mentioned the best and worst services in the country, possibly in relation to the King's Fund report.

We now have a constitution that must be followed and guidelines within the constitution on the practice of administration and the availability of new drug treatments and services. PCTs must be called to account to their own communities.

The 18-week time standard has significantly improved access to treatment for many patients, including those with MSK conditions. In August 2007, just 68 per cent. of non-admitted rheumatology patients received treatment within 18 weeks of referral. Hon. Members will be pleased to know that by October last year, that figure had jumped to 98 per cent. Personalised care plans are a new concept for patients with long-term conditions and their families. They allow people to take control of their own care instead of being dictated to by professionals, particularly in relation to their pain level. The patient's pain level is what the patient says it is.

We now have expert pain management clinics to help people live with chronic conditions. The hon. Member for Southport (Dr. Pugh) said that his mother puts up with hers, but the "mustn't grumble" days are over for people with such conditions. They must grumble—a lot of grumbling has been done in a managed and professional way in this debate. I believe that with the advent of the movement of long-term conditions into the community and away from a consultant-led, in-hospital approach, which uses serious resources inappropriately, we all need to consider quality, safety and the personalised care of patients with chronic conditions such as MSK, as we have a duty to do.

Manufacturing Industry

11 am

Mr. Austin Mitchell (Great Grimsby) (Lab): I am delighted to initiate this debate, because manufacturing is crucial to our country's economy. Our future depends on the health of the manufacturing sector. The current political obsession with debts, deficits and borrowing is obscuring the importance of the manufacturing base, which is, and has been, shrinking. We have an opportunity to rebuild and expand it, because we are now more competitive. I urge people to seize this opportunity with both hands and rebalance the economy—which has become lopsided, with a bias towards an overwhelmingly heavy financial sector—back towards manufacturing so that we can pay our way in the world. The national mood, which has long been fairly hostile and cool towards manufacturing, is turning back towards being sympathetic to and supportive of it.

To my surprise, I have been deluged with representations from all sorts of manufacturing bodies, such as the Chemical Industries Association, the Engineering Employers Federation, the Food and Drink Federation and representatives of the aerospace industry, which have emphasised the importance of manufacturing and urged me to concentrate on their particular sector and its problems. I will not do that, because this is a general debate. The situation is well summed up by the Engineering Employers Federation pamphlet, "Manufacturing. Our future". It undoubtedly is the future; I agree with just about everything in that manufacturing manifesto.

Having burbled about debt and finance for over a decade, even the economic commentators—those great weather vanes—are coming back to recognising the importance of manufacturing. Messrs. Smith of *The Sunday Times*, Elliott of *The Guardian*, Keegan and Bootle—my main weather vane—are all writing about the importance of manufacturing and building up our manufacturing sector again. Even the Lord high Mandelson has said that we should be concerned with engineering, rather than financial engineering. If it has reached that level of recognition, it must be a successful doctrine.

Mr. Denis MacShane (Rotherham) (Lab): The First Secretary of State and Secretary of State for Business, Innovation and Skills, whom my hon. Friend mentioned, came to the Corus steelworks in Rotherham in the summer. I must say that since his visit, things have turned around. We are now narrowly in the black and the unions have worked co-operatively with the management. Mr. Stuart Sansome, the leader of the Corus steelworkers, made a presentation to the Corus board with the local management, which showed partnership at work. Let us place it on the record that Lord Mandelson, about whom my hon. Friend and I have made many comments over many years, might be on the side of the angels on this matter. He might help Britain's steel industry to have a future, which was far from certain this time last year.

Mr. Mitchell: I am grateful to know that the First Secretary has used his miraculous powers on the steel industry in Rotherham. Perhaps he could go to the north-east and help the Teesside steel industry.

Mr. Lindsay Hoyle (Chorley) (Lab): My hon. Friend has touched on the point I was going to make. We ought to mention Middlesbrough. Things may be good in Rotherham, but the situation is not quite as good in Middlesbrough. Does he agree that we are hearing a lot of fine words from the Secretary of State, but that actions speak much louder than words? What we need to see is action.

Mr. Mitchell: I agree absolutely. I am making a plea for action today, because manufacturing is important. It makes the greatest contribution to our balance of payments, with £194 billion coming from exports last year. That is three times the contribution made by the much-vaunted financial sector.

Bob Spink (Castle Point) (Ind): Does the hon. Gentleman agree that we must look carefully at patent protection to ensure that specialist and innovative manufacturers can take advantage of their innovations and manufacture their goods in this country, rather than have their patents stolen and the goods manufactured elsewhere? I have a meeting with Lord Mandelson on 2 February to discuss that point. Would the hon. Gentleman care to join me in that meeting with specialist manufacturers from my constituency?

Mr. Mitchell: The hon. Gentleman makes an important point. We are an innovative country. Although manufacturing has been badly battered, our manufacturing industry is still an innovative source of ideas. It must be able to follow those ideas through to profit, so the ideas must be patented and the patents safeguarded. I agree with that absolutely.

Trade is the main contributor towards this country paying its way in the world and most trade is in manufactured goods. Although the manufacturing sector has been making a strong contribution, its share has declined and it has been suffering. In the light of the experiences of developing countries, exports are the key to growth. For too long, our manufacturing has contributed only on the home market. We are now running a deficit in manufacturing trade.

Tony Lloyd (Manchester, Central) (Lab): My hon. Friend is making an important speech. On exports, all the projections for the growth of the world economy show that growth will happen among the fast developing economies of Brazil, Russia, India and China—the so-called BRIC countries—and not in the traditional large economies. Britain has a very low market share in those countries, particularly in China. Does he agree that we must urge the Government to emphasise exports, particularly for small manufacturers in innovative sectors, which could make a real difference, but which cannot break into those markets at present?

Mr. Mitchell: I agree—it is amazing how many interventions I agree with. It is important that we make a contribution in that area. However, we must face the fact that much trade is in manufacturing sectors that use quite low technology. There are markets there too and we must not neglect them. We have been suffering in all markets. I am arguing that we have an opportunity to win back the share of trade we have lost, as we can now replicate the competitiveness of countries such as China because our exchange rate is more competitive, which lowers our cost base compared with China and developing countries. We are much more competitive because of the fall in the value of the pound.

Cambridge university's studies on the economic future show that our trade deficit is going to grow unless we rebuild manufacturing to fill the gap. Oil is not going to fill the gap in the way that it has done; nor is the City, which is a busted flush. If we do not fill the gap by expanding manufacturing, we will have to borrow to pay for imports or import less and reduce our standard of living. The other option is that the world will eventually refuse Britain's credit card on international markets. That is the future unless we rebuild manufacturing.

The past 30 years have been disastrous for manufacturing. The Thatcher Government indulged in an orgy of destruction of manufacturing, particularly of our basic industries. Steel and coal are the classic examples. It was called "creative destruction", but it did not create, and only destroyed.

Chris Ruane (Vale of Clwyd) (Lab): I agree with my hon. Friend entirely. Does he agree that Wales was one of the places most affected by the closure programmes for steel and coal? Particularly disturbing was the fact that the Thatcher Government did not apply for European objective 1 funding for Wales, but let it wither on the vine.

Mr. Mitchell: Again, I agree. It was an orgy of destruction. It was not only Wales that was affected badly, but all the manufacturing areas of the country, including my area of Yorkshire and Humberside.

Instead of conserving the oil and investing its proceeds for the future like the Norwegians, Mrs. Thatcher used it as a cushion for an orgy of destruction of manufacturing. Unfortunately, that destruction continued under my Government—I say "my" in a proprietorial sense because clearly I strongly support them. Manufacturing continued to decline, and our concern has been the war against inflation, which is fought with a high exchange rate, which makes it cheap for overseas exporters to compete in the British market. Such an approach forces industry to cut costs and labour forces, in a kind of snowballing anaemia downhill. The figures show that manufacturing declined from 27 per cent. of gross domestic product in 1977, when the previous Labour Government were in power, to 20 per cent. in 1997 and about 11 per cent. in today's recession.

Employment has similarly declined. There were 6.9 million people employed in manufacturing in 1978, and there are now 2.8 million, which is only 10 per cent. of total employment. Greater de-industrialisation has taken place here than in any other country. In all countries, manufacturing will shrink comparatively as it becomes more productive, but not in the absolute way that it has here. I said that manufacturing makes up 11 per cent. of our GDP. In Germany and Japan, that figure is 20 per cent., because they have conserved, invested, rebuilt and reconstructed their manufacturing sectors. We have not done that; we have destroyed manufacturing, which is disastrous.

We must rebuild manufacturing because, first, it is the main—indeed, I would say the only—source of productivity gains; secondly, we cannot close the gap in the balance of payments unless we do so; thirdly, doing so will mean that manufacturing is the main source of

jobs, which are now at a premium in our economy; and fourthly, it will spread employment and activity around the country instead of focusing everything on London, which is a centre of wealth and speculation that is under the rule of the City and the financial sector.

Kelvin Hopkins (Luton, North) (Lab): My hon. Friend contrasted Germany with Britain. In many ways, those countries should be rather similar but, in fact, Germany has a massive trade surplus in manufacturing and we have a massive trade deficit. Germany is doing something that we are not.

Mr. Mitchell: Germany is an example that we should follow. The way Germany has restructured and invested in its industry is an example to us all but, after successful adjustment, it is now strangled by the fact that the euro is too high. Until the introduction of the euro, Germany was concerned about keeping the deutschmark competitive—indeed, throughout the '60s and '70s, it resisted American pressure to up-value the deutschmark. I am curious that Germany has accepted that valuation with the euro because of concerns about inflation. That has been damaging for Germany's development, but it has also provided an opportunity for us.

John Mason (Glasgow, East) (SNP): On the question of exchange rates, the hon. Gentleman has welcomed the fact that the pound is lower at the moment. However, does he accept that that is a double-edged sword, because one of the signs of a weak economy is a low exchange rate? For most of my life, Italy was in poor shape and the lira was worth nothing. In Zimbabwe, a low exchange rate is a sign of that country's problems. Is it simply a great thing that we have such a low exchange rate?

Mr. Mitchell: I do not accept that. Zimbabwe is not an industrial economy. The exchange rate is crucial to manufacturing. It is interesting to note that all expanding countries—from Germany's rebuilding after the war right through to China today—have started with a low exchange rate that they have kept low and competitive to encourage export. That has meant such countries built up a big exporting sector in which economies of scale began to operate and that they entered a virtuous cycle of investment and increasing productivity. An enormous industrial strength was therefore built up on the back of a competitive exchange rate. A low exchange rate is crucial to manufacturing, rather than to the City, which wants a high and over-valued exchange rate to manipulate money around the world and buy assets overseas. Manufacturing needs a low and competitive exchange rate.

We have not done the same as other industrial countries, which have increased productivity. However, we have had occasional illustrations of what is achievable when devaluations have taken place in this country. For example, in 1949, 1967, 1971—under the Heath Government—and in 1992, when the big devaluation meant we left the exchange rate mechanism, there was a boost to manufacturing, growth and productivity on every occasion, and the economy was revived, which shows the importance of having a competitive exchange rate.

Mr. MacShane: Does my hon. Friend not recall that the 1947 devaluation—

Mr. Mitchell: 1949.

Mr. MacShane: The 1949 and 1967 devaluations were swiftly followed by the ejection of Labour from office. Is that such a good precedent to pray that in aid?

Mr. Mitchell: In 1967, it was the stringency of Roy Jenkins's budget, which has in a sense been paralleled today, that was responsible for the ejection of Labour from office in 1970. That happened because of the measures to tighten and toughen up the economy, rather than because of devaluation, which opened the way to greater prosperity and economic growth. We benefited from that devaluation.

Mr. Hoyle: My hon. Friend almost answered the question. Would it also be fair to consider how many people had real jobs then compared with now? This country was exporting all over the world at that time, which was the benefit. We built the economy on manufacturing at that time

Mr. Mitchell: Absolutely. I agree with that point.

Mr. Andrew Smith (Oxford, East) (Lab): Of course I agree that it is important to have the flexibility to have the right exchange rate. However, does my hon. Friend agree that, in a global economy where so many things are sourced from other countries, the competitive advantage that devaluation gives is offset by the higher costs of inputs? There cannot be a race to the bottom—cutting the exchange rate as a way of boosting manufacturing. The need for financial structures and the ability of firms to take a long-term view is one of the most important lessons we can take from Germany, not least in relation to the success of BMW in my constituency.

Mr. Mitchell: I am afraid that I do not agree with my right hon. Friend, because the question is about value added in this economy—what we add in value to what we import. That is the crucial test, and that is where we have been failing. The exchange rate translates our costs into a price on foreign markets. We have had a 25 per cent. devaluation—30 per cent. against the euro—and the opportunity we have now is to reduce our cost base. That is important because most manufacturing investment, particularly in low-technology manufacturing, can be made just anywhere. Such investment goes where the cost base is lowest, and it has not come to this country because the overvaluation of sterling has meant that our cost base has been high. It has simply not been profitable to invest in this country—it has not been possible to turn a profit on investments here—but devaluation gives us the opportunity to get round that.

The exchange rate is not a phallic symbol that we can be proud of when it is hard and be filled with post-imperial triste when it softens. It is essentially a market clearing mechanism, and a competitive exchange rate is one that clears markets in conditions of high employment and growth. That is what we need in this country.

Mr. Smith: I do not disagree with my hon. Friend. Of course, his comments on flexibility, market clearing and all that are correct. However, I invite him to accept that there are downsides to the depreciation of a currency. First, it makes inputs more expensive if they are imported from elsewhere. Secondly, it cuts the living standards of British workers—that is one way such an approach leads to competitiveness, and we do not advocate that.

Mr. Mitchell: My right hon. Friend's interventions are very evocative of similar exchanges between us when he was a Minister—he was wrong then and he is wrong now. After previous devaluations, fears of a massive increase in inflation were not realised. There was an increase in inflation, but it was not substantial, and there was an even bigger increase in production and value added in this country. That is what we should aim for through the use of devaluation.

Tony Lloyd: Is not the reality of exchange rate policy that it is not about good or bad, strong or weak concepts, but about balance? The problem in the UK economy was that the balance was not right. The exchange rate was too high because it favoured the service industries and the financial sector at the expense of manufacturing. There was an imbalance and, as my hon. Friend is saying, the rectification process of some competitive exchange rate movement is good for manufacturing and for the whole economy because the balance will be better.

Mr. Mitchell: My hon. Friend puts his point in a moderate and balanced way, as is his wont as chairman of the parliamentary Labour party, and he is right. We want to rebalance the economy away from finance and towards manufacturing; devaluation and new competitiveness give us the opportunity to do so, because they will revive manufacturing and give us a chance to rebuild. They have done so in the past, but we have always let the opportunity drift away by letting prices and the exchange rate rise and by putting up interest rates to defeat inflation. We must not do that again. Manufacturing needs a long-term prospect of competitiveness.

Mr. MacShane: My hon. Friend is kind to give way in this Labour-Labour debate. What a shame that there is just a single Conservative here interested in manufacturing, but there is nothing new in that. I promise that this will be my last intervention. The alarming year-on-year inflation rate of 3 per. cent, which was announced this morning, is partly due to the fact that everything we bring into Britain—we are an importing nation—is now more expensive as a result of our devalued pound. To be frank, inflation, if it pushes up interest rates, will do far more damage to access to credit for manufacturing, as well as lower the purchasing power of my constituents. I am with my hon. Friend the Member for Manchester, Central (Tony Lloyd) on this matter, but the balance was not right. We must be careful not to see that go too far in the wrong direction, so that a devalued pound increases inflation.

Mr. Mitchell: I come back to the point I was making. That was not the experience in previous devaluations, which did boost manufacturing and productivity and did not increase inflation. They did not have the effects that my right hon. Friend is talking about, and I think my hon. Friend the Member for Luton, North (Kelvin Hopkins) wants to rebut his argument, too.

Kelvin Hopkins: We have a very good friend called John Mills, an excellent economist who has written a book that shows that every devaluation since 1931 has not produced inflation, but has actually produced the effect my hon. Friend is talking about.

Mr. Mitchell: I have taken many interruptions while making my main and straightforward point, but I am now moving on to more controversial ground, so I do so with some terror. Devaluation and competitiveness are necessary, but not sufficient, conditions for the revival of manufacturing. We must also have an industrial policy—words that have been anathema to the Government for a long time, and which certainly were to the previous Government—if we are to seize the opportunity we now have.

We are pouring money into the banks, which are still constricting the flow of credit and helpful funds and investment into manufacturing. One small example is that of a bed manufacturer in Grimsby, who came to me to explain that his mortgage had been closed down by the Royal Bank of Scotland. That is what the banks are doing. That stops the bed manufacturer operating and puts people out of work. It is callous brutality. Banks are not channelling funds as they should be, given the fact that we saved them. We should have given them the duty to channel funds into manufacturing, which is what industries need if they are to survive in the world.

The policy of quantitative easing, which basically means printing money to buy back Government debt, does not help manufacturing. It helps the financial sector, particularly the hedge funds, including foreign ones, which hold much of the debt. They then use the money to invest in assets and push up the stock market, which does not help manufacturing in any way. We are helping the banks, but not manufacturing. We need to help manufacturing more, and that is the first step in an industrial policy. I do not mean a policy of picking winners, which is a discredited idea; the market will effectively pick the winners as it develops and industry gains competitiveness. A strong manufacturing sector is the only way to spin off winners and innovations, which do not come in a sterile, dead environment or when manufacturing is declining. They come from a viable, lively and expanding base in manufacturing. The alternative to that is despair. Manufacturing can grow quickly, as the experience of China and the young dragon economies of the far east shows, but it needs the guarantee of profitability and competitiveness and the low costs that we now have, compared with international costs, to allow it to develop.

We need an industrial policy to facilitate that process in several ways. First, we should be saving those manufacturing industries and plants that will be necessary in the upswing but that are now being closed, because manufacturing has been particularly hard hit in the recession. It has been more seriously hit than most other sectors, with an 11 per cent. fall in output, because international demand has been greatly reduced. We can use the competitiveness produced by the devaluation only if there is strong international demand, yet manufacturing is suffering. We must help to save steel manufacturing on Teesside in the miraculous way my right hon. Friend the Member for Rotherham (Mr. MacShane) described. What about the Bosch plant in Wales, where there are 700 jobs? What about the Vestas plant on the Isle of Wight, which is the only manufacturer of the kind of green technology we are supposed to be developing? We must put our efforts into sustaining those plants and manufacturing, rather than into the banks.

Secondly, we need manufacturing policy to channel investment and provide venture capital. Thirdly, we need to break bottlenecks through training, particularly in skills. Fourthly, we need to ease the burdens on manufacturing. We have privatised all the utilities, with the result that they are imposing higher charges on manufacturing for energy, water and everything else; now, we are proposing to reduce the rebate on the climate change levy, which will hit manufacturing. It is crazy to impose such burdens when we need manufacturing to expand. We must concentrate on small and medium-sized plants.

Chris Ruane: Will my hon. Friend give way?

Mr. Mitchell: I am grateful for the intervention, of course, but it is surprising that the more controversial part of my speech has prompted fewer interventions.

Chris Ruane: My hon. Friend says that there is a need for interventions, and I think that that is a key dividing line between us and the Opposition. Will he give credit for the interventions the Government have made, such as the car scrappage and boiler scrappage schemes? In Wales we have the ProAct and ReAct schemes to keep people in jobs and training, and we have a £1 billion future jobs fund to keep young people in employment. The Government have made some interventions.

Mr. Mitchell: Absolutely, and my hon. Friend is right to correct me. Perhaps, in my impetuous enthusiasm for demanding a revival of manufacturing, I pitched the case too high. There have been useful interventions, such as the car scrappage scheme, but I want bigger and more effective interventions to sustain manufacturing, concentrating on the small and medium-sized firms that now make up the majority of our manufacturing. They need help with research, design, development and advice, and all that help can be provided by the Government.

We must, as the main part of the industrial policy, make manufacturing central to the preoccupations of the Government and to the activities of BIS, or whatever alphabetical soup the Department is now called. BIS has a second chance, and now we have that second chance, so I hope that it throws itself into a policy of sustaining and nurturing manufacturing, so that we produce more, sell more to the world and improve our standard of living and our productivity to stop the low, slow decline of manufacturing. Manufacturing is our future. We must seize it now or lose out for ever.

Mr. Gary Streeter (in the Chair): We have about half an hour until the Front-Bench speeches begin and five or six colleagues are trying to catch my eye, so speeches should be brief.

11.28 am

John Mason (Glasgow, East) (SNP): I congratulate the hon. Member for Great Grimsby (Mr. Mitchell) on securing the debate. The subject is incredibly important, and one that is well worth our spending our time on. I agree with much of what he said.

Manufacturing has a strong tradition in cities such as Glasgow, where I come from. We have moved away from the huge, heavy industries we once had, but we still have a lot of the smaller manufacturing industry and much of the service industry as well. It is disappointing that we do not have the huge steel industry we used to have, or the railways and shipbuilding, but perhaps it was unrealistic to think that those could continue from the 19th century. However, there are many positives and potential in Scotland and across the wider UK. For example, aerospace is very positive, as are chemicals, pharmaceuticals, electronics and, certainly in Scotland, food and drink and high-quality textiles.

We need a balanced economy. We should not have all our eggs in one basket, be that basket financial or anything else. My father, who was an engineer, believed that the only people who contributed to the economy were engineers and that I made a huge mistake by becoming an accountant. Be that as it may, I certainly agree that we should re-emphasise manufacturing.

Exports, imports and the exchange rate are clearly part of the manufacturing equation, but I wish to make a few comments about the exchange rate. I believe that it is not where we should put all our faith for meeting the challenges that lie ahead; it is not a panacea for all our ills. I agreed with the hon. Member for Great Grimsby when he said that the exchange rate is not a phallic symbol. However, it is a mark of the strength or weakness of other people's faith in our economy, and where the exchange rate is says something about the UK at present. We need balance on such issues.

I find it strange that so few people have spoken out recently about the pound's lower level, because it is clearly making life difficult for many of our constituents. Anything they buy that has been brought in from overseas is more expensive, and many of our population nowadays expect to go on foreign holidays every so often, which also becomes much more expensive. There is a loss of well-being for our constituents as the exchange rate goes down.

Kelvin Hopkins: I have heard none of my constituents complaining at all about the depreciation of the pound. Many of them feel that their jobs are safer because we have a more competitive exchange rate, and they are pleased about the depreciation—and glad that we are not in the euro.

John Mason: Apart from the last point, in general I agree with the hon. Gentleman. However, as was correctly pointed out earlier, there must be a balance. I fear that it is a little simplistic to paint a lower exchange rate as all good. Yes, the exchange rate is a big part of the answer in the short term, but we need to look elsewhere in the long term.

Mr. Hoyle: The hon. Gentleman makes a good point, but does he not recognise that there is now a chance of manufacturing coming back to the UK because of where the pound is and because we are more competitive? We are seeing the results of that with inward investment coming back from Europe.

John Mason: Yes, I agree that there is certainly a short-term boost, and, from that point of view, it is welcome. I am not arguing against it, but my question is where we will be in 20, 50 or 100 years. Will we just keep on devaluing? Will that be our long-term answer, or will there be something else?

Clearly, wages and costs are higher here than in some other countries, so we find it difficult to compete. Part of the answer is higher-quality products, of which, from

[John Mason]

a Scottish point of view, whisky is a good example. We can produce something of a quality that we believe other countries cannot compete with, and people are willing to pay more for it. However, if we take shipbuilding, yes, perhaps we can build a slightly better ship than can be built in some other countries, but the cost difference is huge. Can the shipbuilding industry survive long term on Ministry of Defence orders? Can we ever again compete in shipbuilding in the world market?

As has already been touched on, some suggest that the answer is to cut our costs, that we should go down and down and try to meet other people's lowest costs. We hear from some quarters that we should get rid of the minimum wage, but I cannot agree that that is the answer. That seems to be the argument on pensions, too, which are obviously another cost. Some say that we have to get public sector pensions down, but that kind of answer and that kind of thinking just store up problems for the future.

Surely the other option in the seriously long term is that other countries' costs and standards have to rise. In my lifetime, there has been a huge change in countries such as South Korea, Hong Kong and Taiwan. When I was a child, one expected from them cheap and poor products, which were often the subject of jokes. Clearly, that has changed: one now gets good-quality products from such countries and, more recently, from countries such as India and China. Producing good-quality, competitive products means that countries get a decent price for their products and employees' standard of living starts to rise. We have certainly seen that in countries such as South Korea. Just look at the tourists coming here now who would never have come in the past. Clearly, they have money to spend that they did not have before. To mention whisky again, there has been a huge boost for the whisky industry and the Scottish economy because we can now sell to countries such as India and China. We could never have sold such a product to them in the past.

Fair trade—by that I mean small f and small t as well as capital F and capital T—must play a part in the equation in the long term. If we are trying to compete with workers in poorer countries, they must get a decent wage, which would help them and us. Only a few years ago, it was only tea and coffee that we would expect to get on fair trade, but this past Christmas I bought a decent quality, reasonably priced shirt for my brother and suddenly realised that it was a fair trade product, and that people were getting paid a decent price in some of those other countries.

In the long run, part of going ahead will involve putting pressure on shops and importers to ensure that suppliers are paid a fair wage. If we buy something in this county, we should ask where it has been made. Has child labour been used? I would say that public opinion is with us on this and that we can move in that direction. I accept that we cannot do that immediately, but, sadly, I go into some shops and look at the price of some clothes and think, "Who made these clothes? Has child labour been involved? What are the health and safety conditions?"

Surely, in the long term, fair trade has to be part of the answer. We should not try to stay elite compared with the rest of the world; instead, we should pull the rest of the world up with us. I accept that that is for the long term—it is not a short-term goal—but it has to be part of the equation that would boost our manufacturing and allow us to export more overseas.

11.36 am

Kelvin Hopkins (Luton, North) (Lab): My hon. Friend the Member for Great Grimsby (Mr. Mitchell) will not be surprised to hear that I agree with everything that he said. I have come along enthusiastically to support his excellent contribution this morning.

I represent Luton, which was a large manufacturing town. I am pleased to say that it still has some manufacturing, but when I moved there 40 years ago, General Motors employed some 38,000 people in the conurbation. Now it employs fewer than 2,000, and we had difficulty saving the plant last year. We must express thanks to my noble Friend Lord Mandelson, the Business, Innovation and Skills Secretary, for helping to save Vauxhall. We still need to put in a new vehicle for beyond 2013, but at least we have saved it. That was about not only jobs and the local economy but local pride, which is important as well. My hon. Friend and others were right in saying that the Business Secretary has changed his view. I met him several times and have written to him at length several times pointing out that the debate is about not just Luton but about British manufacturing and saving manufacturing for the future as a basis for rebuilding and expanding it.

My hon. Friend spoke about foreign ownership. It is significant that Cadbury is apparently about to be sold today to a foreign owner, which is regrettable. It is noticeable that other countries such as Germany are far more reluctant than we are to allow their companies to be sold overseas. One cannot imagine Germany sitting idly by while BMW was sold to Rover, but, because British Aerospace wanted a bit of pocket money, we let Rover go for a song to BMW and did nothing about it.

While I have been a Member of Parliament, Luton has lost Electrolux, SKF is a tiny proportion of what it was, and many suppliers to the motor industry and other companies have lost jobs as well. We know that productivity has increased, that manufacturing is therefore much more capital-intensive and that there are fewer jobs in it, but the real evidence that we have a problem in manufacturing is, as my hon. Friend said, the trade deficit.

In 2006, the trade deficit in goods was £76 billion. It went up to £89 billion in 2007, and to £93 billion in 2008. It has started to come down since the depreciation, and is probably on track to be about £80 billion this year—still a massive sum, but the trend is at least pointing in the right direction. Depreciation has clearly been important. Obviously, we have had the J-curve effect where things get slightly worse before they get better; nevertheless, we are on the right track. If anybody thinks that the European Union helps, some £40 billion of that deficit is with the EU—not with poor or low-wage countries but with Germany. As I said in one intervention, something has gone right in Germany but not here.

Bob Spink: The hon. Gentleman knows what I am about to say. Does he accept that the £40 billion or £45 billion trade deficit with the EU blows apart the argument that is often made that, if we were to leave the EU, we would suffer the loss of jobs in this country? Quite the opposite would probably take place.

Kelvin Hopkins: There is a bigger debate to be had on that, but the hon. Gentleman is right. We are not advocating that. We are advocating our retaining our own currencies at an appropriate value so that we can at least have a breathing space to compete and invest in manufacturing and so that we can stand tall in future.

Chris Ruane: To counter that Europe-bashing, may I give the example of Airbus in north Wales, which is a pan-European project involving France, Germany and Spain and 52,000 people, with 6,000 employed in north Wales alone? It is one of the most successful companies in the world and it has developed because of the co-operation within Europe.

Kelvin Hopkins: I accept that co-operation is important, but long before we were in the EU, we co-operated on Concorde. Getting the right value for our currency helps that co-operation because we can produce the components of the Airbus more cheaply here and do well. Co-operation is nothing to do with the EU; it is to do with agreement between ourselves and other countries.

Mr. Hoyle: We have been successful with Airbus because the Government put launch aid in. If that had not been done, it would not exist in the UK either.

Kelvin Hopkins: My hon. Friend is right. The point about intervention was mentioned earlier. I believe that Governments should intervene to ensure that their economies work well. In relation to General Motors in Luton, the Business Secretary was prepared to intervene and put in some £400 million to £500 million to help out. The state aid rules from the EU are complete nonsense, because when it matters countries always intervene and rightly help their industries.

Germany did so well because it was permitted for a long time to run a low value for the deutschmark and have a competitive edge. Chancellor Erhard, the author of the West German economic miracle—now the German economic miracle—made sure that that was there. I wrote a number of pieces on economics in the 1970s and '80s when I worked in the trade union movement. I once attended a meeting with the Anglo-German Foundation at which I mentioned the German trade surplus, but I was immediately shouted down by a German representative who was terrified that I would focus on the German trade surplus, because that is what it was about: even then we were running a substantial trade deficit with Germany.

The Bretton Woods agreement, which built the post-war economy—it was a good idea and it was nonsense to throw it all away in the early 1970s—worked between 1945 and 1970: we had full employment and growth like we had never had before, rising living standards, growing equality, and all that. Keynes said that he wanted an arrangement where countries that were in deficit would be permitted or encouraged to devalue, but those in surplus would be encouraged or required to revalue. Had that been in place, Germany would have been required to revalue and we would not have had the imbalance between Germany and Britain, which otherwise are similar economies.

Mr. Andrew Smith: Does my hon. Friend not accept that another lesson to be learned from Germany is how its corporate structures, and particularly its financial structures, enable and even encourage companies to take a long-term view on investment strategy so that they are not so vulnerable to short-term market vicissitudes as companies in this country?

Kelvin Hopkins: Absolutely. The German Government did not allow the financial sector to get away with murder, as we did in Britain. They encouraged collaboration between unions, management and Government to ensure that Germany plc worked. We have not done that; we have become true aficionados of the free market, and the free market with a strong currency has been disastrous for us. The Germans were not so silly. The west permitted Germany to do that because its great fear after the second world war was that communism would encroach from the east, and had it not ensured that Germany was a successful economy—a big showpiece for capitalism—there might have been slight problems there. Indeed, looking at the strength of the communist parties in Italy and France, people can see why the west was seriously worried and why western Europe, and Germany above all, had to be made to work. The same was true of Japan as well.

John Mason: Just before the previous intervention the hon. Gentleman made a point about requiring countries to keep their currency at a higher level. The Chinese seem to be determined not to do that. Does he have any answers on how we can put pressure on China?

Kelvin Hopkins: Keynes would have had a point. It is about time that China is required to revalue somewhat. I think that the Americans are putting pressure on the Chinese to do just that and the Chinese are saying, "No thank you very much, we've got a nice competitive edge and we're going to keep it," but we shall see what happens.

Finally, on employment for young people, not six months ago *The Guardian* published an article showing that rising street violence, violent crime and crime in general correlates closely with the decline in manufacturing employment. When we had full employment, young men used to leave school on a Friday—at 15 in my youth and, later, at 16—and get a job at the local factory on the Monday, staying in work for the rest of their lives, earning a decent wage. They were able to settle down, marry and have children and become citizens. In those jobs they were socialised, became trade unionists, gained an understanding of politics and became proper citizens. That opportunity is now denied to millions of young people, particularly if they are lower skilled.

Bob Spink: Will the hon. Gentleman at least join me in congratulating the Labour Government on their efforts to bring back the old-fashioned apprenticeship, which can only do manufacturing industry good?

Kelvin Hopkins: Absolutely. The hon. Gentleman has taken the words out of my mouth. The way we are going to get apprenticeships, training and skills, and citizenship back is by expanding manufacturing, recreating full employment and trying to get back some of the things we have lost in our society.

11.46 am

Tony Lloyd (Manchester, Central) (Lab): I, too, congratulate my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on securing the debate, which is

[Tony Lloyd]

not just timely—in fairness, it is one that my hon. Friend has been forcing on those who would listen over many years. He is right, however. One of the realities of the UK economy—progressively over recent decades—has been the substitution of our traditional manufacturing strength with undoubted strength in the service industries. Although that is not unwelcome, it has certain consequences for an economy such as ours, particularly since the geographical concentration of financial services has tended to be in one part of our island and because that sector does not have the reach of manufacturing. There are spatial as well as economic reasons why we need to look at the importance of manufacturing.

I am aware that others wish to speak, so I will try to make some concentrated remarks. On the point about the importance of training that was made by my hon. Friend the Member for Luton, North (Kelvin Hopkins) in his exchange with the hon. Member for Castle Point (Bob Spink), we still have one thing to do. We have come an awful long way in the years of this Labour Government with respect to how important intermediate skills training is—in other words, away from the concept that unless we get everybody through higher education, we are somehow failing our nation. In fact, it is rather the opposite: we need people who have high skills at different levels. That is why the reinvention of the apprenticeship, which was effectively dead in 1997, is so important.

We are now reinvesting in a generation of people in respect of the kind of skills that manufacturing will need for the future, but I emphasise that we have a long way to go. Although we have taken those first steps, industry—the private sector—has a long way to go if it is to learn the lessons that it ought to absorb. There was an exchange earlier about the success of German manufacturing, one reality of which has been the commitment of German industry, particularly medium-sized and small firms, to training and their direct responsibility for it. We still have not properly established that in this country and we need to continue to get that message across.

Although I do not expect that my hon. Friend the Minister will agree with me on this—publicly, at least—I still think that training levies need to be considered. There is a need to say to say to those who freeload in the training system that they can do that only if they are prepared to make a financial contribution to support those who are prepared to do the training. Good companies do train, but they often do so at their own expense and see others getting the benefits of that. We need to establish mechanisms whereby that process is more socially and economically efficient.

On access to capital—this relates to a point made by my hon. Friend the Member for Great Grimsby—the failure rate of start-up companies and new firms in low-tech or high-tech industries is high, particularly in manufacturing, because those firms often start off under-capitalised and struggle because of the difficulties of obtaining capital from our financial services industry. The financial services industry has not been efficient, and has not looked at the economy's needs, so I want to talk about the financial needs of high-tech companies.

High-tech companies in the Manchester area have identified to me the significant capital gap, which arises partly because the financial system simply does not understand high technology, and does not know how to assess or take on board such risk. The Government should investigate intensively and quickly the sort of support that the financial system needs to assess risk in high-tech industry, or even take the more radical step of creating a publicly owned investor in high-tech companies, because there is a gap.

A significant number of hon. Members in the Chamber do not come not from the golden triangle of Oxford, Cambridge and London. A high-tech company in my constituency told me anecdotally that a London-based banker with which it was engaged said that it would not obtain finance if it operated in Manchester, and asked why it did not move to Cambridge, Oxford or London. It is ridiculous to suggest that companies should move. It is socially divisive, and not acceptable to those in Manchester. I want the financial system to support the link between Manchester's good universities—this also applies elsewhere in the country—and the companies that they spawn so that the incubation process leads to successful commercial development. I urge the Minister to consider that.

[Miss Anne Begg *in the Chair*]

I also urge the Government and the Opposition parties—the Government probably do not need urging—to recognise the importance of the comments by Dominique Strauss-Kahn, the head of the International Monetary Fund, who said the other day that early withdrawal of Government intervention in our economy could be disastrous. If allowing that to happen could be disastrous generally, it could be specifically criminally insane for our manufacturing industry. I trust that, for the good of manufacturing, our economic policy recognises that intervention must continue until we are out of the recession.

My final point almost replicates that made by my hon. Friend the Member for Great Grimsby. In a modern economy, we must consider how to help our manufacturers to export—and not just large companies. Many small and medium-sized companies will never be more than that, but they play an important role in our economy and still need help in accessing export markets. That has always been the case with our traditional export base in the EU and north America, but it is even more the case for those who want to export to China, Brazil and so on when there is lack of experience and confidence. I urge the Minister to examine what we should be doing to help those would-be exporters to obtain access to those markets, and to begin the process by recognising that growth in the world economy will be in China, Russia and Brazil, not in Germany and north America.

Several hon. Members *rose—*

Miss Anne Begg (in the Chair): Order. I hope to call the two hon. Members who are standing before 12 o'clock.

11.54 am

Mr. Lindsay Hoyle (Chorley) (Lab): I am the only member of the Select Committee on Business, Innovation and Skills in the Chamber. The Department for Business, Innovation and Skills has a great role to play in the future of manufacturing, which is why this debate is so important, and I congratulate my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on setting out his case. We should be backing a buy British campaign.

People in France buy nothing but French goods, and the same applies in Germany and other countries. Their procurement policies back their own manufacturing, and the sooner our Government engage in support through procurement, the better.

The Minister rides around in a British-built car, but most Ministers ride around in Japanese-built cars with not one British component and involving not one British job—nothing is worse. Procurement is the first step, so let us start backing Britain and UK manufacturing. The car and truck industries are important, and the Government have done a lot to support car manufacturing. The car scrappage scheme was so successful that it should be extended—the sooner the better—because nothing would be lost by doing so. We have a great truck manufacturing industry in Leyland Trucks, which is part of DAF and PACCAR, an American company, but it is the last major truck manufacturer in the UK. I want more support for truck manufacturing because it is so important.

We have talked about apprentices, but those people need real jobs. We do not want to fall into Thatcher's folly of YOP schemes—the youth opportunities programme—which were not the answer. If we are serious about apprenticeships, as I believe that the Government are, we must ensure that there is real manufacturing, as well as real jobs to back up those apprenticeships.

British Aerospace has been touched on, as has Airbus, which is important in the north-west and Lancashire. We are the centre of cutting-edge technology for building aircraft. That is an important subject, and if the Opposition Front-Bench spokesmen were to give Back Benchers an extra couple of minutes to speak, it would help the debate. I look for support from the Opposition spokesmen and from the Minister because some key points need to be made.

British Aerospace in Lancashire is important, and more jobs could be created through the maintenance of heavy-lift aircraft for the RAF. That deep maintenance should be carried out in the north-west, which would protect jobs and extend our skills in British Aerospace.

Any manufacturing base needs the ability to produce steel, and it is folly that we are considering the closure of plant on Teesside when we know that we are going ahead with the carriers and more ships for the Royal Navy. We will not have the ability to produce enough steel if we allow plants to close, and the Government must learn some lessons.

Green technology is also important. We talk a lot and use fine words, but the proof is the delivery of jobs. There has been failure in the production of wind turbines by Vestas on the Isle of Wight, and we no longer produce anything for the future of green technology.

We should not put UK companies up for sale—Cadbury has been mentioned—because that leads only to closures. Why are we not having a summit on UK jobs and manufacturing, or a conference to bring all the manufacturers and unions together to stand up for Britain, to create more jobs, and to give the UK a future? The regional development agencies are important in backing that up, and no one is more important than Steve Broomhead of the Northwest Regional Development Agency, which creates the jobs. I look to the Minister to provide even more support and to hold that business manufacturing conference here in the UK.

11.58 am

Chris Ruane (Vale of Clwyd) (Lab): In the two short minutes remaining, I hope to raise a few points from a north Wales perspective about how manufacturing has developed since the advent of this Labour Government, and to comment on some of the dividing lines between us and the previous Conservative Government. I have touched on European co-operation, which has enabled Airbus to flourish in north Wales.

In 1981, we had the biggest lay-off in British industrial history. In Shotton, 7,000 workers were laid off overnight by the Conservative Government. From those ashes, employment rose through Airbus and, as my hon. Friend the Member for Chorley (Mr. Hoyle) rightly said, it arose through an interventionist policy by the Labour Government, because we believe in key intervention at key times. Launch aid of £450 million was lent to Airbus—it has since been repaid—and that shows our belief in intervention. The public and private sectors co-operated to create 6,000 jobs at Airbus with 600 apprenticeships, some of them at degree and post-degree standard. That shows our belief in our young people, and why we have a target of getting 50 per cent. of young people into universities. That is not supported by the Conservative party, and it is another key dividing line.

Another issue is European funding, which the Labour Government have claimed, but the previous Conservative Government did not. In my constituency, that funding has helped to fill the St. Asaph business park. It was built by the previous Conservative Government at a cost of £11 million, but lay empty for 10 years. Under this Labour Government, however, it has been filled with 3,500 jobs. Such a thing has not happened only in that business park. According to an answer to a parliamentary question, we have seen such measures across north Wales, not just in my constituency. In the constituency of Caernarfon, the number of jobs has increased by 38 per cent. from 24,000 to 33,000. In Delyn, the increase since 1997 has been from 26,000 to 33,000, while in Ynys Môn it has been from 23,000 to 30,000. The increase in Clwyd, West was from 26,000 to 34,000, and in my constituency there has been a 27 per cent. increase from 23,000 to 29,000 jobs over the past 10 years. That is living proof that interventionism, co-operation with Europe, and co-operation between the public and private sectors has helped manufacturing jobs in north Wales.

12 noon

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I congratulate the hon. Member for Great Grimsby (Mr. Mitchell) on securing the debate. Before I respond to him, however, I shall pick up on a point made by the hon. Member for Chorley (Mr. Hoyle) about green industries, on which he was absolutely right. There is amazing potential in my part of the world for offshore wind and marine tidal energy, but there is a big danger that all the platforms will be made in Rotterdam, instead of in Nigg and all our constituencies, using the steel that we want in this country. If there is one thing that I have urged the Government to do—both the Department of Energy and Climate Change and BIS—it is to look at supply chain issues and ensure that we are capable of fulfilling what is needed.

[John Thurso]

Having made that personal plea on behalf of my constituency, I will move back to the speech made by the hon. Member for Great Grimsby. He made two overriding points in his opening remarks. The first was that manufacturing is strategic, and that we forget the strategic importance of manufacturing to UK industry at our peril. His second point was about the need to rebalance the economy away from such dependence on financial services. Interestingly, I came here from a sitting of the Treasury Committee, where Professor Goodhart and Professor Kay were having a solid argument about how that should be done. Everybody is agreed, however, that the days when the financial services industry dictated how the economy of the country should be run are over. We need a financial services industry, but it must be the servant of commerce and industry, not the master of speculation. The hon. Gentleman was right to raise that issue.

There has been an interesting debate about the concept of the exchange rate, and there is no doubt that the exchange rate has been a tremendous boost to a number of manufacturers. I have previously cited in this Chamber a company in Invergordon called Kirker Europe, which makes nail varnish for most of Europe. Its biggest competitors are in China, but during this period of financial uncertainty, most of its customers have returned. They are ordering not simply on price grounds, but because of security of supply and the fact that Kirker Europe can deliver anywhere in Europe within three days, whereas goods would take five or six weeks to come from China. Therefore, in the debate about cost in Britain, it is worth remembering that there is more to value than simply cost. The United Kingdom offers many things in its manufacturing industries that make up components of that value, and although cost is important, we should not talk down all the other factors that we have going for us.

This is the fourth debate on manufacturing in which I have spoken over as many months, and it is fascinating to note that each Member who secures such a debate addresses the subject from a slightly different angle. The central thrust is the importance of manufacturing and what we need to do about it, but many hon. Members have come at that from different directions. It is right to continue to raise the subject, however, as it is one of the most critical issues for our future. One hon. Member—I am not quite sure who—said that perhaps by having such debates on a repeated basis, we will get across to those concerned just how important the issue is.

I attended a business breakfast in the House last week that was chaired by the hon. Member for Mid-Worcestershire (Peter Luff), who chairs the Business, Innovation and Skills Committee. It was the launch of RBS's £1 billion loan fund for manufacturing. One of the most important points raised at the meeting was that we always talk a great deal about manufacturing when there is a recession, but forget about it as soon as the recession is over. If there is one lesson that I would like whoever next sits behind the desk of the "Lord High Great Grand-everything" to learn, it is that we should not forget. We need to learn that lesson this time round in a big way.

The hon. Member for Great Grimsby said that RBS was the bank involved with the bed manufacturer that he mentioned. RBS has launched a fund of £1 billion of secure money for manufacturing, and it has asked for MPs from all parties to let it know of companies that the money could help—I am dutifully passing on the message.

The other point made at the breakfast was that although we are good at talking ourselves down, a great British characteristic is that we do not talk up what we do well. Let me repeat what I have said before about the importance of manufacturing. We have the sixth largest manufacturing industry in the world, which accounted for more than £150 billion in 2008. Depending on whose figures we believe, between 2.7 million and 3 million people are employed in it. There has been growth in real terms, but it is right to say that there has been a decline in relative terms, for which there are a number of reasons. I believe that manufacturing is a success story for Britain and an opportunity for the future. Anyone aspiring to be in government must recognise that opportunity and undertake to support it.

There are three key drivers that will take forward all industry, particularly the manufacturing industry. First, without a stable financial system, we will not have an economy that can grow. Getting the banking system right—I happen to be in favour of narrow banking—is an absolute prerequisite. More than that, we must learn one of the critical lessons that has come out of the financial crisis: we cannot rely nearly so much on debt as part of the finance mix. More equity must be available, but it must be available across the board.

At the top end, the listed companies have not had any great problems in restructuring their balance sheets. They have been able to go to the markets and acquire more equity, now that that is in vogue, and the analysts are not asking them to sweat those balance sheets. However, that is a much more difficult proposition for early stage companies, small and medium-sized enterprises, and regional firms. For that reason, it is important that we put mechanisms in place to allow people with individual net worth who would like to invest in companies in their area to do so. I have put forward some ideas, one of which is a local enterprise fund. That is about not Government money, but creating a mechanism to connect the investor with the company. However, I do not have enough time to go into detail about that.

The second vital area is getting our skills base right. The last time I spoke in the House on manufacturing was on 2 December. The previous day, I had attended a reception by Engineering UK, which had put across the scale of its problem. It estimates that we will need 587,000 more engineers by 2017—roughly 80,000 a year. On the other side of the skills equation, however, we are losing 30 per cent. of our further education lecturers, because they are retiring and not being replaced, and there is a 17 per cent. drop in the number of students. That is a major problem and I would like a form of bursary support for those in engineering and science to ensure that the right number of graduates come through.

The hon. Member for Manchester, Central (Tony Lloyd) spoke about apprenticeships—I could not agree with him more. I regret the day that the hotel and catering training levy board was taken away. I argued against that closure from the day it happened, and I will carry on with that argument for as long as I can.

My last point is about innovation. We are very good at innovation in this country. We do it well in the lab and in companies—we even do it quite well in the garden shed—but what we do not do is commercialise, and we need to work to be able to get to the stage at which innovations that start in this country are commercialised in this country, rather than ending up being commercialised overseas.

It is essential that we learn the lessons of the recent past and apply them wisely for the future. The greatest lesson that we need to learn is that manufacturing is strategically important, and woe betide any Government who do not understand and support that.

Miss Anne Begg (in the Chair): I remind hon. Members that I would like to be able to call the Minister at 12.20 pm.

12.10 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): I congratulate the hon. Member for Great Grimsby (Mr. Mitchell) on initiating this timely debate on the importance of supporting UK manufacturing. I shall refrain from opining for too long on the weak pound, other than to say that it reflects our weak economy.

The year 2009 was traumatic for many UK manufacturers. Investment in businesses dried up, production was down as demand in many sectors froze, and productivity weakened to the extent that hundreds of businesses were forced to close. The facts are that under Labour, since 1997, 10 per cent. of manufacturing businesses have closed and more than 1.5 million manufacturing jobs have been lost. Following the pre-Budget report in November 2008, the Government introduced a number of schemes designed to support businesses through the recession, but more than a year on from the announcement of those mainly loan guarantee schemes, a great cause for concern is the lack of progress from the Government's approach to the challenges facing the UK manufacturing industry.

The Government were asked to support our industry—an industry that has lost 280,000 members of its work force in the past year alone. Businesses across the UK have experienced, and still are experiencing, acute shortages of finance and working capital, which the Government declared their intention to ease.

Chris Ruane: Will the hon. Gentleman give the figures for the previous recession—the Conservative recession? How many manufacturing jobs were lost at the same point in that cycle? In north Wales 10 years ago, in the last recession, 29,000 people were unemployed; now, it is 14,000 people.

Mr. Djanogly: It is not a question of bandying around statistics. I am simply saying what the situation is at the moment. What we hear from businesses today is that the Government designed their multitude of schemes in such a complicated and confusing fashion that third parties, initially including banks, often did not understand how to operate them or which one to operate. Indeed, it was not always clear on what terms support was being offered to business.

It is telling that the trade credit insurance scheme was quietly shelved by the Government in the most recent pre-Budget report. Announced in the 2009 Budget, the scheme was originally intended to provide up to £5 billion in the form of top-up insurance guarantees to help firms whose credit insurance cover had been reduced. Out of that £5 billion, which was ring-fenced, just £18 million of cover was provided, to just 72 businesses. A similar pattern can be seen with the Government's now withdrawn working capital scheme.

Even if a business was eligible for a scheme, it often elected not to take part, either because it did not understand the workings of the scheme or because it felt that it could get a better deal on the open market. Indeed, one gets the impression that many of the schemes were more about Government press releases than about delivering any real relief and support to UK manufacturing.

Tony Lloyd: The hon. Gentleman is right to consider the relationship between Government and manufacturing, but I wonder, in that context and in the context specifically of discussions about policies of this Government and the alternative Government, what he makes of the comments of Jeegar Kakkad, the senior economist at the Engineering Employers Federation, which is not normally a supporter of this Government. He said of the Conservative party's plans:

"Reducing the level of capital allowances would be a big problem for manufacturers...cutting the rate to 12.5 per cent. would be a disaster".

Is he right?

Mr. Djanogly: Well, if one looks at capital allowance alone, but of course one has to look at it in the context of our overall plans for taxation, which are to reduce the burden.

Conservatives believe that manufacturing should be at the heart of the economy if the UK is to achieve sustainable economic growth. Even given its current challenges, the UK still has the sixth largest manufacturing economy in the world. Manufacturing still produces more than half the UK's exports and still constitutes more than 12 per cent. of our gross domestic product. The firms that emerge from the recession will be stronger and leaner for the experience and will be a key factor in UK economic growth. Conservatives want to support such firms. Rather than burdening UK business with more burdensome red tape and complex regulatory schemes as the Government have done, a Conservative Government would provide simple practical solutions to help UK manufacturing businesses to recover from the economic crisis.

Last October, my hon. Friend the Member for Weston-super-Mare (John Penrose) published a paper setting out the Conservative vision entitled "Regulation In The Post-Bureaucratic Age". It outlined how excessive red tape and the innumerable quangos established by the Government have undermined the UK's economic competitiveness and left business drowning in red tape. By sweeping away the Government's ineffective system of bureaucracy, a Conservative Government will reform the approach to regulation, thereby allowing policy goals to be achieved in a less burdensome and less intrusive way.

The British Chambers of Commerce has warned that the burden of taxes and regulation on business under this Government is set to reach £25.6 billion over the next four years. Only today, the director general of the BCC commented:

"The cost of employing people must be reduced if future governments are serious about giving businesses the freedom to create jobs and drive our economic recovery."

[Mr. Djanogly]

It is clear to Conservatives that this country needs urgent cuts in the regulation and red tape suffocating our industry and business. For example, under a Conservative Government, regulatory impact assessments will be followed up, three to five years after legislative changes, to ensure that any new regulation is not having a negative impact on UK business. A new Star Chamber Cabinet Committee would enforce a strict one-in, one-out policy on regulation, providing that any new laws must be associated with cuts in old laws, with a target of reducing the net regulatory burden by 5 per cent. Additionally, sunset clauses will be applied to regulations to ensure that their necessity is reviewed. Furthermore, during the first term of a Conservative Government, all regulators will be reassessed and their duties reviewed.

A prime concern of a Conservative Government would be to cut back the overwhelming amount of regulation facing employers in UK business. A good example is the Labour Government's attempt to suffocate the temporary agency worker market with their rushed proposals relating to the agency workers directive. Such is the red tape and bureaucracy attached to employment laws, albeit with the aim of protecting workers, that ironically many UK businesses are telling us that they do not even want to hire people any more. A Conservative Government would seek to roll back much of that redundant and counter-productive gold-plating of European legislation, with the intention of getting businesses employing people again.

To stimulate further growth, Conservatives aim to cut the rate of corporation tax from 28 to 25 per cent. and the small companies rate from 22 to 20 per cent., so that businesses have a chance to get back on their feet. We also want to reverse Labour's job-destroying increases in national insurance. A Conservative Government would further embark on a formal process of tax simplification to make it significantly easier for businesses to predict, calculate and pay their taxes. During the recession, Conservatives would have continued to press for the establishment of a straightforward and easy-to-use £50 billion national loan guarantee scheme that would directly underwrite lending from the banks to viable British businesses.

Conservatives are committed to taking rigorous action to tackle unemployment and help with the reskilling of the work force as part of our "Get Britain Working" plan. The "Work Programme" campaign—a new integrated welfare-to-work initiative—is based on four supplementary programmes. First, the "Work for Yourself" initiative would offer business mentors and other opportunities to would-be entrepreneurs and is designed to encourage people into self-employment. Secondly, the "Work Together" project connects people to volunteering opportunities in their area and will allow people to develop their skills in new areas of business. Thirdly, there will be work clubs—places for people to receive mentoring, skills training and help in finding local job opportunities. Fourthly, the "Youth Action for Work" campaign will provide a huge number of additional apprenticeships.

The Conservative party has set a target for the United Kingdom to overtake Germany and become Europe's leading exporter of high-tech products. To fulfil that goal, we need a long-term strategy based on increased investment in talent, technological innovation and raising the nation's skill base. That is why Sir James Dyson is leading a Conservative taskforce to set out a clear vision for boosting high-tech production in Britain. We are confident that by harnessing our resources, a Conservative Government could generate a major expansion of high-tech product development and renewable energy, address the capital gap and create real sustainable growth in the UK economy.

Mr. Hoyle: The hon. Gentleman mentions Dyson, but does he not feel embarrassed that that was the man who moved his manufacturing to Malaysia at the expense of British jobs?

Mr. Djanogly: Rather than hitting out at individuals, we should look at the reason why British manufacturers are moving their jobs overseas—that is what the next Conservative Government will do.

Manufacturing has an important future in the UK. It has doubtless faced a testing period, which has stretched the resources of many businesses to breaking point, but a Conservative Government will offer the hope of change and renewal. Only Conservatives can now give business access to the finance that it needs to grow and the skilled work force that it needs to compete with the best on the global stage.

12.20 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): It is a pleasure to appear before you, Miss Begg. I am grateful to all hon. Members who have contributed to the debate, but I am particularly grateful to the hon. Member for Huntingdon (Mr. Djanogly), who gave us an illuminating outline of Conservative policy towards industry. Of course, hon. Members on both sides of the House have experienced that policy before, and we do not need a crystal ball to know what it would be, because we have read the book. As my hon. Friend the Member for Vale of Clwyd (Chris Ruane) said, the book included 7,000 redundancies at Shotton in the early 1980s, and there were more than 1,000 redundancies in the steel industry at Brymbo, just outside my constituency, in the early 1990s. That is the history of the Conservative approach to manufacturing.

Chris Ruane: Will my hon. Friend give way?

Ian Lucas: I will have to proceed very quickly because of all the contributions that have been made, so I hope that my hon. Friend will forgive me if I do not.

As we have heard, the Government take an active approach on supporting manufacturing, which contrasts markedly with the approach that the hon. Member for Huntingdon has just outlined. There may be differences among Labour Members, but it is noteworthy that seven Back-Bench Labour MPs have contributed in a disciplined manner to the debate. We have also had positive contributions from the hon. Members for Glasgow, East (John Mason) and for Caithness, Sutherland and Easter Ross (John Thurso). I contrast that with the approach that the Conservative party appears to take.

The Government believe in an active industrial strategy, which was set out in the "New Industry, New Jobs" document and outlined more recently in Lord Mandelson's speech on growth, which I commend to all hon. Members,

if they have not read it already. The Government are strongly committed to promoting growth, which will be an intrinsic part of reducing the deficit over the next four years.

The Government not only talk about action, but invest in industry. We have heard about the launch investment given to Airbus, which represents a £340 million investment in the aerospace industry, in which we are the second most powerful manufacturer behind the United States. We have also heard about the car scrappage scheme, which provides support for our automotive sector. Conservative Members did not oppose it, despite the fact that they consistently opposed other such investment on the Floor of the House. When we said that we needed to invest in the economy to support it, the Conservative party did all that it could to oppose us at every stage.

Similarly, the construction industry has been supported and sustained through a difficult recession over the past year by the £3 billion of public investment that the Government put in. The Conservative party opposed that investment. The loss of jobs had that policy not been pursued would have had a profound effect on all our communities. That is the difference between our parties' approaches to manufacturing, and it can be seen in our communities.

No one will doubt my commitment to manufacturing. I have been in the House for nine years talking on behalf of a manufacturing constituency, and my father worked in manufacturing for more than 40 years. In my current role, I am hugely encouraged by the fact that I meet individuals in British manufacturing who believe that we have a great future built on innovation and partnership. In the automotive sector, the Government have just set up the Automotive Council so that we can—I say this to my hon. Friend the Member for Chorley (Mr. Hoyle)—develop supply chains and ensure that smaller businesses benefit as prime companies produce world-beating products.

In that respect, I had the pleasure of going to see the Mini plant in the constituency of my right hon. Friend the Member for Oxford, East (Mr. Smith). BMW came to the UK to invest and it has made a fantastic job of taking a totemic British product out to the world and developing hugely impressive facilities. It has worked in partnership with the trade unions, been supported by them and produced a world-beating product. We therefore have world-beating products in aerospace and the automotive sector.

The UK is an innovative country. We have a great fund of ideas and we are determined to seize the opportunities that lie ahead in the manufacturing sector. The Government strongly believe that the future lies in a low-carbon manufacturing strategy, which will involve exploiting opportunities in the UK. We have heard the sad story of Vestas on the Isle of Wight, and I am afraid that many members of the Liberal Democrat party have opposed the development of onshore wind turbines, which has led to the diminution of the UK market and not helped the development of the industry. The Government are working hard on the development of offshore wind capability, which will also provide an opportunity for the steel and cable sectors. Indeed, I visited a cable company in Ely that was supplying a wave project off the shores of Cornwall. We need to tell business that that type of project and opportunity will be available over the next few years.

We are talking about not only a domestic opportunity, but an exporting opportunity for industry. Although the disappointments at Copenhagen raise difficult issues, we know that we have a low-carbon future, and that is true not only in the UK, but outside it. We have heard reference to the exchange rate, and I am grateful to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) not only for initiating this important and informative debate, but for his views on devaluation. He gave us an interesting resumé of devaluation policy and political history over the past 50 years, which I enjoyed very much. The exchange rate now gives us an exporting opportunity. We have the ideas and we are an innovative country; indeed, we were the first industrial nation and we have a proud history of innovation, thanks to James Watt, George Stephenson and the rest. We have ideas that are being put into practice now.

I was interested in what my hon. Friend the Member for Manchester, Central (Tony Lloyd) said about Manchester university and the work that needs to be done to develop finance. The innovation investment fund has been set up to support businesses in all parts of the country working with universities to develop innovative products. In my role, I have been fortunate enough to see some tremendous products, which will become world-beating products in due course. We need to support businesses to export such products, and my good friend Lord Mervyn Davies is working hard with UK Trade & Investment to develop the UK's exporting potential.

I am short of time, but I want to touch briefly on training and skills. We have heard a lot about Germany, and we need to emphasise the importance of the apprentice and technician class there. That is something that we want to develop strongly in the UK, and we are making increasing use of apprenticeships. We need to get into schools to indicate the importance of the industrial sector. Yesterday, I heard of a project being developed by Nissan, which will see 2,500 schoolchildren go into its factory in Sunderland to find out how exciting the manufacturing industry is and how exciting careers in industry are.

When I talk to many of the leaders of UK manufacturing companies, many of whom were apprentices themselves years ago, they tell me that they are committed to carrying forward the message that manufacturing in the UK has a great future, that we need to work to improve the proportion of the economy that is based on manufacturing and that the rebalancing that is taking place in the economy gives us an opportunity to ensure that Britain manufactures better than anyone else in the world.

Schools (Sutton)

12.29 am

Tom Brake (Carshalton and Wallington) (LD): Miss Begg, may I tell you that my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) would also like to make a brief contribution to the debate, as the matter affects both our constituencies? The Minister's office will, if it has done its homework, have spotted from past debates that the matter was first raised by the two Members of Parliament for the constituencies in the London borough of Sutton as long ago as May 2001, when the Minister was Estelle Morris, who subsequently became Secretary of State for Education and Skills and is now in another place. The Minister may not feel that our arguments have any validity, but he must at least acknowledge that they have been consistent over the past nine years. Nine years after that debate, the issues are just as pertinent.

Sutton has outstanding schools. That is in no doubt. I checked the Times Online website yesterday and several Sutton schools—Nonsuch, Wilson's and Sutton grammar—appear high on its list of high-performing schools. Also, interestingly, Stanley Park high school, one of our local comprehensive schools, has recently been identified as one of the top 10 fastest improving schools in England, which is a tribute to the excellent work of the head teacher, governors, teachers and pupils. We have a very good range of schools in the borough and their strength has made Sutton a victim of its own success.

Anecdotally, if the Minister wanted to come to Sutton, he could see children from all over London and the south-east piling off trains at Carshalton and other local stations, to go to schools in the borough. The statistics on children educated in the London borough of Sutton who come from other boroughs or counties show that in some selective schools, just a quarter of the year 7 intake comes from within the borough, with three quarters coming from outside of borough. In others, the ratio is slightly lower, but still perhaps one third come from within the borough, and two thirds from outside. By contrast, many of the comprehensives take, as one would expect, a significant percentage of their pupils—close to 100 per cent.—from within the borough. If those figures are averaged out across the borough's secondary schools, the ratio shows that roughly two thirds of pupils in our schools are from within the borough and one third are from outside it. That, again, is a reflection of the very strong performance of Sutton's schools.

When we have argued in the Chamber for changes to the system, which would give Sutton pupils greater priority in Sutton schools, the Government have said that we are arguing for the removal of choice. In the debate held nine years ago, the Minister responsible spoke about asking

> "a Government to change a system where we are doing what we can to give as many parents their first choice of school, regardless of where they live". [*Official Report*, 2 May 2001; Vol. 367, c. 294WH.]

Unfortunately, her argument does not stack up. In Sutton, there is limited choice, if any, for most pupils, for the simple reason that the pupils with choice are either those who score a very high result—not just a pass—in the 11-plus or its equivalent, or those, clearly, whose parents can afford to pay for private education.

Apart from those two categories, for the overwhelming majority of parents and pupils in Sutton, the only choice, if they are lucky, comes from their happening to live close to a comprehensive school. If they do not—the schools are located in such a way that they may not, if they live in certain parts of the borough—they may have no choice, or none of a school in the borough. Thus parents who live literally across the road from a very good local school, to which they are keen to send their children, are told, "I'm sorry; we can't give you a place there, but we have identified a place in a Croydon or Kingston school"—although, incidentally, parents who live in the vicinity of those schools have voted with their feet to take their children elsewhere. The borough therefore has to tell parents, "We can offer you a school that is far from where you live, and one to which ideally you would not want to send your child."

The principal factors in play are the Greenwich judgment and selection. In relation to the Greenwich judgment, I understand the Government's argument—I think it is a strong one—that if a school is located close to a boundary with another borough it does not necessarily make sense to say that the borough in which the school is located should have exclusive rights over places. I acknowledge that, but equally it is not right that the borough should, as in the example I just gave, have to tell parents that although they are Sutton council tax payers they cannot be offered a place in a Sutton school. That is just as ludicrous as a pupil who lives across in the road in, say, Merton, being unable to go to the school in Sutton. That issue needs to be addressed, and perhaps more flexibility could be shown on the operation of the Greenwich judgment to allow Sutton at least to be able to make parents an offer of a school place in the borough.

The second issue is selection. As I have acknowledged, some schools in Sutton are among the highest achieving in the country academically, because their admissions are based on selection. I think that the decision about whether schools should operate selectively should be taken locally by councillors, but there are ways in which those schools could tweak their admission procedures to allow entry to more pupils from the borough. For instance, a system that would still require children to pass the 11-plus or its equivalent, without requiring them to get 98 per cent. in the exam, could be a way of ensuring greater representation of local children in local schools. It is disappointing that the schools adjudicator did not support the borough when it deployed that argument. A further issue concerns faith schools. One of Sutton's faith schools uses a very tight definition of Christianity, and if it were to be slightly more flexible about its focus on Catholic religion, rather than Christianity, it might allow more local pupils to get in. Selection and the Greenwich judgment have affected the borough significantly. We can change those things slightly to improve the probability that Sutton schools will be for Sutton pupils, and to make that a reality.

I have one further point to make, which I have not mentioned to the Minister—unless my office managed to get the message through to him—about something that was confirmed for me on Friday about the new Stanley Park high school. I was informed a couple of months ago that it was proceeding full steam ahead. The school will be built with Building Schools for the Future funding. I was told that the primary care trust

and the local authority had agreed the sale of the land; the PCT land was to be sold to the borough. A couple of months ago, I was assured that the problem was resolved, but I understand from my meeting on Friday that it is not.

If the Minister is to take one thing away from this debate, I hope that he will talk to whichever Health Minister has responsibility for oversight of the primary care trust and ask him to say to the PCT, "We need you to make a decision on this, because the future of a new school built with Building Schools for the Future funding depends on you releasing that land." That has to happen promptly if the school is to open in September 2011. I hope that the Minister will ensure that the subject is raised elsewhere. We need an answer, because I want to see that school opening its doors in September 2011. I am sure that the Minister—he is an Education Minister—would also like to see that happen.

12.40 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I strongly endorse that last request to the Minister. Indeed, I echo much of what was said by my hon. Friend the Member for Carshalton and Wallington (Tom Brake), and I congratulate him on securing this debate.

I first referred to the question of school admissions policy in my maiden speech in 1997. The matter has been raised many times in one way or another, and I am sure that that will continue. At its heart, the debate is about what is fair. It is about how to ensure a fair system for allocating school places and for allocating resources to ensure that everyone who wants a place gets one.

Arrangements for secondary school places in Sutton are complex. Competition for places is incredibly fierce, because the schools are popular, not least because we have a mixed economy of comprehensive and selective schools in Sutton, all of which are successful. Changes to admission rules, particularly by selective schools, are altering the character of the schools' intakes. They are changing from local schools into regional or sub-regional schools. As a result, even bright children in Sutton struggle to secure places, and coaching is seen as an essential investment. Coaching, which is paid for privately, is a great way of excluding many of those who cannot afford to pay for it. That is now happening in Sutton. Those who can afford it can buy the coaching and bump up the chances of their child getting a place.

A straight count of high school places in the borough suggests, on paper, that there is no problem. However, that is not the reality experienced by those of my constituents who live in Worcester Park. They live on the edge of the borough, and it seems that they do not benefit from the Greenwich judgment, because there are no schools in the vicinity on the other side of the border. It is for that reason that I strongly support my hon. Friend.

We need legislation that will bring some flexibility, allowing admission authorities to prioritise places for children resident in the borough—if necessary, by clarifying or, in my view, by overturning the Greenwich judgment. We also need a strengthening of the role of the school admissions forums. In my experience, they are tied down too much by vested interests. They need to be genuinely of and for the interests of parents and the borough, and they should speak first and foremost for those interests.

Last week, my hon. Friend and I met the Minister for Schools and Learners, the hon. Member for Gedling (Mr. Coaker). I suspect that the Minister knows about it, as we were making a case for additional funding to support the schools' and Sutton council's efforts to deal with the rapid and rather unexpected rise in demand for school places, which has occurred as a result of a 29 per cent. increase in the birth rate between 2001 and 2008. That increase is not spread evenly across the borough, but is concentrated in Worcester Park and certain parts of central Sutton. For various reasons, a higher proportion of parents are electing to send their children to local state primary schools. The combination of a higher birth rate and a higher number electing to go to local state primary schools is causing pressure.

We welcome the fact that the Government have set up the basic need safety-valve fund to help to deal with that pressure, but we are sad that Sutton was not successful. However, £30 million is still left in the fund, and between £2 million and £3 million would enable Sutton to plan to provide not only additional classroom accommodation but the essential space for staff and children to meet the Government's standards and avoid the risk of schools being cramped and overcrowded.

I hope, Miss Begg, that you and other hon. Members will understand that I shall have to depart shortly, because St. Dunstan's Church of England primary school is visiting the House today with its head teacher, Mrs. Christine Smyth. Earlier, I took the school on a rather inadequate tour, but I hope that everyone found it useful. It is one of those Church of England schools that operates a generous and fair admissions policy. I have not been told to say that; it is true. I shall soon be given a rough grilling by the pupils. I look forward to reading and discussing with my hon. Friend the Minister's response to the debate.

12.45 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Mr. Iain Wright): It is good to serve under your chairmanship again, Miss Begg. May I congratulate the hon. Member for Carshalton and Wallington (Tom Brake) on securing this debate? He said that he has mentioned the subject in the House a number of times. He is right that it is an important matter; it is about the provision of good, fair and quality schools.

I am grateful to the hon. Gentleman for raising the matter today. As a long-standing Member, I am sure that he will agree that, thanks to unprecedented and sustained rises in investment from this Government, and the huge amount of work undertaken by teachers, governors, parents and pupils, the quality of learning in Sutton's schools is higher than ever.

Education spend per pupil has increased by 34 per cent. An extra £1,160 is being spent on each pupil. That spending has helped to fund a rise in the number of teachers from 1,390 in 1997 to 1,850 last year, and a massive jump in the number of teaching assistants from 160 in 1997 to 560 last year.

Tom Brake: I agree—praise where praise is due—that there has been a substantial and welcome increase in investment, which is why I am absolutely desperate that the investment that the Government, to our satisfaction,

[Tom Brake]

have already agreed to provide in relation to the new Stanley Park high school is allowed to proceed, and that the primary care trust does not get in the way of that. I ask the Minister to pursue that point.

Mr. Wright: I acknowledge what the hon. Gentleman says. I was not aware of the problems at Stanley Park. I pledge to take the matter away and to write to him as soon as possible. He will be aware that local authorities and primary care trusts are autonomous. However, by working in partnership, a good solution can be found that is in the interest of all.

I turn to the importance of capital; the hon. Gentleman will understand that it provides investment in buildings and facilities. He will know better than I do that in 1997, capital spending on Sutton's schools was £4 million. Last year, it was £20 million. I realise that he will want me to address the specific concerns that he rightly raised today, but it is worth acknowledging that in the last dozen years, thanks to Government money, Sutton has built three new schools and substantially rebuilt a further six. It has added 169 classrooms and 61 science labs, and has improved sports facilities and modernised kitchens at a further 11 schools. Not only are Sutton's children and young people benefiting from higher standards of teaching, but they are being taught in modern, world-class and fit-for-purpose buildings and facilities. I hope that he does not mind my mentioning those matters, but it is important to put things in context, given the real success that has taken place over the past 12 years.

The hon. Gentleman raised several concerns. I have dealt with Stanley Park, and have pledged to write to him on that subject. His central theme, however, was the provision of fair and accessible places for his constituents and their children in his constituency, and the question of out-of-borough students attending Sutton schools. He will know that local authorities have a responsibility to ensure fair access to educational opportunity. Councils are in the driving seat to ensure fair access for students. He will also know that maintained schools and academies, as well as local authorities, admission forums and school adjudicators, are all expected to act in accordance with the school admissions code and associated legislation. The Government have provided a strong framework for admissions authorities, so that they can set fair arrangements that support equity of access.

Each school has an admissions authority to set its admission arrangements and decide which children will be offered places—for a community or voluntary-controlled school, it is the local authority; for a foundation or voluntary-aided school, it is the school's governing body. Grammar schools can lower their testing pass mark to help to accommodate some of the hon. Gentleman's concerns, or they can set a percentage to allow more pupils from the local area to be admitted.

It is important to stress that admissions authorities can operate any admission arrangements they choose, as long as they comply with admissions legislation and the school admissions code. As part of the consultation process, local admissions forums have a duty to look at admission arrangements in their area to ensure that they are fair, and that they do not affect fair access. Such a duty directly addresses the hon. Gentleman's concerns about out-of-borough arrangements. With the greatest respect to him, I suggest that he contact the London borough of Sutton, which is controlled by his own party, to ask it what plans it has to address the problems that have arisen from the Greenwich judgment, and how it will ensure that there is fair access and provision for his constituents' children in schools in the borough.

Tom Brake: I have a regular ongoing dialogue with my local authority. As the Minister is well aware, there are many issues over which the local authority has no control, including those arising from the Greenwich judgment and from the admissions policies operated by some schools in our borough. He has talked about the responsibility of operating a fair admissions process, so it is incumbent on him to respond to the point made by my hon. Friend the Member for Sutton and Cheam (Mr. Burstow), who said that children are being tutored, often at great expense, to ensure that they get into some of the schools. Therefore, a fair admissions process is not operating. In many cases, a process based on how much people earn is what is operating.

Mr. Wright: Like many hon. Members, I came into politics because I believe in equality of opportunity. Along with other matters with which the state should help, the provision of excellent high-quality education for all regardless of ability to pay is a core belief that should be at the very heart of education policy. Regardless of where someone lives, who their parents are, or whether they can pay, every pupil in this country should have access to world-class educational excellence. That is what the Government have been trying to do since 1997. They have achieved a lot, but much more still needs to be done. Achieving that access is, quite rightly, the aim and objective of their education policy.

The local provision of school places is the duty of the local authority as the strategic commissioner of school places. It is down to the local authority to ensure that there are sufficient school places in the area, and that that provision is related to need. The Children, Schools and Families Bill, which is currently in Committee, will introduce a new duty on local authorities requiring them to run an annual survey of parents alongside the admissions round. The hon. Gentleman and his hon. Friend the Member for Sutton and Cheam (Mr. Burstow) will be particularly interested in that provision. The survey will seek parents' views on the range and quality of secondary school provision in their area. Where there is "material parental dissatisfaction", the local authority will have to undertake a review, and publish a response plan detailing how they will address parents' concerns. The hon. Gentleman talks about dissatisfaction with the fact that out-of-borough children are coming in and taking school places. That is an issue that must be addressed by the local authority.

Tom Brake: I thank the Minister for giving away again; he is very generous. He must acknowledge that the survey may well identify the fact that parents are dissatisfied because their child cannot get into the school of their choice, but the local authority can do precisely nothing about it because of how the Greenwich judgment operates and how the admissions policy operates for some schools. What will the local authority do when that annual survey says that parents are dissatisfied?

Mr. Wright: Let me surmise here, because I do not want to prejudge the passing of legislation in this House and the other place or what Sutton constituents might say regarding the survey. Let us examine the scenario in which there was material parental dissatisfaction. The local authority would have to publish a response, saying how it would directly address parents' concerns. If a significant proportion of parents felt that the plan did not address the issues that they had raised—it may be that they could not get their child into a school of their choice—the local authority would be required to refer the plan to the schools adjudicator for a determination. I am confident that the measures that are under scrutiny in the House, and the powers, duties and framework that have been outlined, will help to address the hon. Gentleman's concerns and show him that local authorities, and in his case, the London borough of Sutton, have considerable autonomy to consider fair access for pupils in their area.

Tom Brake: The Minister has now confirmed that if the local authority fails to satisfy parents, the matter will be referred to the schools adjudicator, but it was the schools adjudicator who found that schools should be allowed to take an increasing number of pupils from out of borough. It is unclear how they will be able to respond to parents who are complaining in large numbers that they cannot get their children into a local school because they have already said that it is fine for schools to take many more pupils from out of borough.

Mr. Wright: The difficulty is that the schools adjudicator is an independent arbiter of the situation. They will consider the situation in an open, transparent and independent way and come to a decision. It is not for me as a Minister or the hon. Gentleman as a Member of Parliament to say, "I am sorry, but I do not agree with the schools adjudicator's decision." The system has been put in place to have that open, transparent and independent decision about what is fair and accessible in the provision of school places in that particular London borough.

With local authorities in the driving seat, we can ensure that there is suitable, excellent provision of primary and secondary places in the borough, and which takes into account concerns or nuances of a particular area, such as the high proportion of places going to out-of-borough pupils. Working in partnership and collaboration with schools, colleges and other providers, they will ensure that there is excellent provision. If parents are unhappy or dissatisfied with the provisions that are in place, the mechanism that I have identified will allow an independent authority to look at the matter and decide what is appropriate. That is a suitable framework, and it will be further strengthened by the provisions in the Bill that is before the House. I hope—but I do not think that I am right in this—that the hon. Gentleman will welcome the plans.

I welcome the matters that the hon. Gentleman has raised. With regard to Stanley Park, I promise that I will take the issue away and look at it, and write to him shortly. The whole point of my response has been to stress that it is for local authorities and schools to decide their own admissions criteria. The hon. Gentleman quite rightly said that local people know best what is needed in their areas. Local authorities and schools, working with parents, are the experts in their local area. It is up to them to decide whether to accept pupils from other boroughs.

Let me thank the hon. Gentleman for bringing the matter to the House and reassure him that the Government will continue to place fair access at the very heart of our education system, and put in place provisions to ensure that local authorities act in accordance with the framework that has been set down by Parliament.

Universities (Urban Regeneration) *

12.59 pm

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Thank you for calling me to open this debate, Miss Begg. I also thank the Speaker for seeing fit to allow this debate on the topic of universities and their role in the regeneration of towns and cities.

Miss Begg, I am sure that, like me, you know very well how important universities have become to all the cities and towns where they have a presence. If I may recount briefly, when I first became the Member of Parliament for Huddersfield 30 years ago—in fact, my constituency was Huddersfield, East in those days—manufacturing employment was at a very high level. In my part of Yorkshire—west Yorkshire and particularly Huddersfield—such employment was very strong, ranging from the engineering sector, including light engineering, for example in David Brown Gear Systems, David Brown Tractors and so much else, through to textiles. Huddersfield still is a centre for the finest worsteds in the world, but in those days the textile sector employed many, many people. There was also a chemical industry associated with textiles—dyestuffs and much else—and again the companies in that sector were very large employers. At one stage, 6,000 people worked on the Imperial Chemical Industries, or ICI, site on the Leeds road in Huddersfield.

There has been a dreadful decline in manufacturing employment in the years since I was first elected to Parliament. It has been a dreadful decline not because manufacturing jobs are not there—manufacturing has become leaner, meaner, more effective and more efficient. Yes, every time we had a global takeover of a company in west Yorkshire, the rest of Yorkshire and, I suspect, the whole country, we were told that it would lead to no real change in jobs and would not really affect the economic climate of our country, but time and again—I fear it will happen again with today's Cadbury takeover—we in west Yorkshire found that every time there was a major takeover of a company by a global company, it meant fewer jobs, relocation of the manufacturing capacity to other parts of the world, and sometimes only a small design and marketing presence left in the town where the company was originally sited.

We were very dependent on manufacturing jobs in west Yorkshire and in Huddersfield. Over the past 30 years, we have become dependent on what is now the largest employer in my constituency: Huddersfield university. It has 24,000 students and employs a large number of staff—the average figure for jobs at the university in 2008-09 was 1,820. The estimated value of its impact on the local economy is £300 million. The university is also a major supplier of teachers, health workers and other graduates to the Leeds city region. Miss Begg, I am sure that you will be impressed to hear that, six months after graduation, 72 per cent. of our graduates from Huddersfield university are still working in Yorkshire and the Humber area; I am also sure that there is a similar statistic for your part of the world. We retain our graduates, who work in the locality and the region. Those new graduates earn £54 million in total in west Yorkshire in their first year of employment. Huddersfield university is the very heart of my constituency and of Kirklees council, the local authority that covers four and a half constituencies, including my own.

I wanted to talk about the power of universities to regenerate towns and cities because, as we all know, as a result of the international financial meltdown and the various problems that we have all faced in the world as a result, including recession and new levels of public debt, there will be cuts across a large number of Departments. As Lord Mandelson mentioned in his statement to the House of Lords and my right hon. Friend the Minister for Higher Education and Intellectual Property repeated in the House of Commons, those cuts will include quite profound cuts to university budgets in the coming years.

Let me sum up the essence of my argument. We all realise that we will have to find ways to cut back public expenditure in the coming years—most reasonable people realise that. As Chairman of the Children, Schools and Families Committee, I suspect that, even in that sector, although we have certain guarantees that there will not be cuts, cuts will eventually be made. However, some cuts would be so deleterious to other aspects of our life that I ask the Minister to reassure us today that the cuts made will not harm the power of our universities, which extends beyond regeneration. Miss Begg, I think you know that the Royal Society of Arts, under the stewardship of Matthew Taylor and partly under the influence of Lord Giddens, who was the director of the London School of Economics for a substantial period, has been talking about how we regenerate local democracy. Today's debate is not just about university expenditure, university employment or wealth creation by universities, nor is it just about having large numbers of students, paying members of staff well and creating that atmosphere of competition and success that we know university towns and cities have. It is also about that greater reach that universities have in what the vice-chancellor of Newcastle university, writing in a very impressive recent article, called the re-establishment of the civic university. The civic university reaches out.

Some years ago, the RSA published a report called "Tomorrow's Company". It had a simple message that if a company wanted to be a company of the future—a forward-looking company—it had to look at five of its stakeholders. It had to look not only at the shareholder, the customer, the supplier and the supply chain, but at the community in which it was situated; that community mattered to the future success of that company. "Community" could be interpreted locally, regionally and nationally. So there were broader aspirations for companies, and that is how I want people to see the role of universities.

Some universities play that role exceptionally well. My constituents and I have been lucky that, although Huddersfield university briefly went through a series of problems, Sir William Taylor took hold of its governance and turned it around. Then, John Tarrant did good work for 11 years to make Huddersfield university one of the fastest growing universities in the country. By the time he retired, he had tripled the size of the student body, which, as I have said, is now 24,000 students. He also increased the number of staff. Bob Cryan, our current vice-chancellor, is carrying on that excellent work.

We know that a university should reach out to the community and involve that community, not only so that it is seen to have good public relations but so that it puts its tentacles out, as it were, and reaches out to help

the future of our towns and cities. In Huddersfield, the university reaches out to new enterprises, including small start-ups, however small they are. Its business department does that, as do other departments, including those dealing with social enterprise. They ensure that that partnership with the community really helps to make small and medium-sized enterprises to grow.

I do not want to be too parochial, but let me return to the impact of the possible funding cuts. I understand that trade associations have a role. My use of the term "trade associations" will upset some universities, but there are a lot of trade associations in the university world. They seem to be breeding very quickly. It used to be mainly the Higher Education Funding Council. Now HEFC writes to five different trade associations within the university sector. However, the recent HEFC grant letter setting out its spending priorities for the next year, increased the proposed cuts set out in the pre-Budget report to £915 million. It is estimated that those cuts, which are only the ones that have been announced so far, will have an increased effect upon the north of England, given that 42 per cent. of the region's research and development spending is channelled through universities. That R and D spending is crucial to the north of England and to Yorkshire in particular. I suggest that those cuts will have a devastating effect not only on students and staff, but on our international competitiveness and our regional and local economies, as well as the national economy.

Tim Farron (Westmorland and Lonsdale) (LD): Will the hon. Gentleman give way?

Mr. Sheerman: I am happy to give way to a former member of my Select Committee.

Tim Farron: I am happy to be given way to by my former Chairman.

Is the hon. Gentleman aware that in my constituency, the Ambleside campus of the university of Cumbria is threatened with effective closure from this July, despite having exceeded its recruitment targets for the past three years? Ambleside is a community with just 2,000 houses, 600 students and 150 staff, and the university contributes £6 million to the economy every year. Does he agree that, given the devastating effect on the community if that closure proceeds, everything should be done to avoid it?

Mr. Sheerman: I am sure that if I studied the Ambleside situation, about which I know little, I would find similarities, albeit on a micro scale, to what we face at the university of Huddersfield. I take it seriously. The hon. Gentleman will remember that when he was a member of the Select Committee on Education and Skills, we spent a lot of time covering higher education. I see my hon. Friend the Member for City of Durham (Dr. Blackman-Woods) nodding from behind the Minister; she was also a member of that Committee. We covered higher education, so we knew quite a bit about it. You might see a plot here, Miss Begg, and think that it was out of frustration at the fact that my Committee no longer covers higher education that I asked for this debate. That is partly the case.

The hon. Gentleman is absolutely right. Universities play a crucial part in regional and urban economic regeneration. Directly, universities provide approximately 1.2 per cent. of UK employment and generate nearly £60 billion in output. That is a lot of money, and cutbacks will hurt.

Let us talk about fairness. As Chairman of the Select Committee, every year I examine the finances of our education spend. I am proud that this Government have spent so much money at every level of education. I am particularly pleased by how much we have invested in pre-school and early education. I am proud of Building Schools for the Future and how much money we have put into schools. The fact is that when the Labour Government came to power in 1997, they said, rightly, "All the research shows that early intervention is absolutely the highest priority if we are to give children from deprived backgrounds a chance in life that they wouldn't otherwise get." For that reason, they spent a high percentage of resources on it. However, when we look across the piece, going back 10 years, we find that overall spend on the early years sector has increased by 57 per cent. since 1999, compared with only 39 per cent. for HE. Higher education has done well, but it has not had the same priority as other parts of the education system.

It might be said that higher education has done well, so what is the problem? I was one of the Members who campaigned vigorously for what we call variable fees and others call top-up fees. An investigation conducted by the Education and Skills Committee concluded in favour of variable fees, largely because we did not think that, because early years and school years were spending priorities, we would have enough in the kitty to invest sufficiently in higher education. On reflection, looking back at what has happened in the years since we introduced variable fees, I am proud that when the University and College Union came before my Committee just before it changed its focus to children, schools and families, the leader of UCU admitted that almost exactly the amount of money raised from variable fees had gone into university salaries, which have undergone a healthy increase. I looked at university salary levels recently: they have increased, so we can now retain some of the best talent of our country in teaching and research.

University funding has improved, but I think we should invest more, not less, in our higher education system because, increasingly, universities are deeply involved in communities, regeneration and new employment and enterprise initiatives. That is different, and it must be prioritised. If the Minister, in a frank moment, asked me to choose between increasing the budget for Building Schools for the Future or putting more money into universities, I would not be against spreading out the years over which we deliver BSF and giving some of the money to universities, especially if it is for specific purposes.

I have gone on long enough, but I will say two things on the Government's side. Extremely good improvements have been made in universities. What would happen if the university were removed from your nearest city, Miss Begg? If the universities were removed from Manchester—there used to be five, but there are now four, due to amalgamation—it would be devastating. Removing the 34 London universities would be devastating. Almost every town and city with a healthy university or cluster of universities would be devastated by their loss. Yes, there is high employment in local authorities and the health service, but university employment is critical to our success as a nation and our future.

[Mr. Sheerman]

We expect universities to maintain their high standards. Yes, some people say—I am sympathetic to their view—that we want towns that do not have a university. If possible, it is sometimes better to have a satellite campus rather than a new fully independent university, which just repeats the costs of administration, such as vice-chancellor's salaries and so on. We must guard against that. I favour satellite universities and campuses. However, I also believe that we must maintain high standards. My Committee's recent inquiry on the training of social workers and teachers discovered that students in our country can get into university with deplorably low levels of qualification. We must maintain standards in university admissions and in the quality of degrees delivered.

We also need the highest quality of governance in universities. I have recently seen worrying figures about the range of salaries for vice-chancellors. Everybody in the sector knows that we are not breeding enough men and women who are good material for vice-chancellors. There is a dearth of vice-chancellors. I heard of a recent scandal in which a university was so desperate for a vice-chancellor that it appointed one without even taking up his references. The story of what happened to him is a sad one. On the other hand, I heard recently of a metropolitan university that suggested advertising for a head of business studies—one department in the university—at a salary of £250,000. We must have good governance at the very top. I do not mean professors. I looked at the average pay rates for professors and lecturers recently; they are perfectly modest. I have a vested interest, as I have a son-in-law and a daughter in the academic world. Researchers should be paid a decent salary—not the exorbitant bonuses of the City, but salaries that are commensurate with their qualifications and talent.

Lastly, I believe that we must be very careful about the overall governance of our universities—how they are managed and directed. We should look seriously at how they are structured, how staff are included in the governance structure and at the sanctions and precautions for universities that are running into trouble. I mention only the recent problems at London Metropolitan university, although that is not the only one that has had problems, as the Minister knows. We must have better governance and we can have it without too much bureaucracy and without sacrificing the principle that universities are independent. They should value their independence and so should we.

1.20 pm

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): I congratulate my hon. Friend the Member for Huddersfield (Mr. Sheerman) on securing the debate. As all hon. Members know, he is probably the greatest champion of universities in the House.

My hon. Friend is not new to subject of the contribution that universities make to their civic communities and the wider economy; he has returned to it over many years. He considered the issue as Chairman of the Education and Skills Committee. Indeed, last week he questioned me in the House on the subject. I welcome the opportunity to respond to this important debate and to put it on the record that the Government take substantially the same view as he does. We believe that universities have an important role to play at the heart of their communities. He made the point well that if we took universities out of the places where they exist, it would be devastating. He will recognise that many hon. Members would love to have a university in their constituency. There are still parts of the country where access to higher education is not what we would like, largely because there are no universities there. He was right to put his comments in the way that he did.

A couple of years ago, research commissioned by Universities UK showed that universities directly employed about a third of a million people and that they indirectly supported the employment of a similar number. The report estimated the economic impact of higher education in the UK to be £45 billion a year. These days, most universities support business growth, standing shoulder to shoulder with other agencies such as local authorities, regional development agencies and regeneration vehicles in local communities in supporting businesses. I recommend to all hon. Members the document "Standing together", published as long ago as November 2008, in which universities moved swiftly to demonstrate to employers and local authorities what they could do to support economic growth in the downturn, many months before others caught up. I hope that my hon. Friend will agree that universities have to work in partnership. There are Opposition proposals to abolish RDAs, which make an important impact in keeping local and regional connections intact.

It is important to put on the record the intrinsic value of universities. In our democracy, we value learning for learning's sake. Universities play an important part in the cultural and democratic life of our country. They are autonomous of Government and we celebrate their role. We also celebrate the contribution of many students and the National Union of Students to voluntary work on campus and in surrounding communities. We celebrate the employment that universities bring and their sporting life. Universities bring a raft of contributions.

Bob Spink (Castle Point) (Ind): I apologise for missing the start of the debate, Miss Begg, but I had a constituency visit.

The Minister is making a lot of sense. Does he agree that it is important that universities provide specialist, niche skills so that industry and the economy can thrive? I am thinking specifically of nuclear engineering skills, which are provided by Manchester university. I received correspondence from it only yesterday asking me to draw the Minister's attention to the need for the Government to continue to support and facilitate it in providing nuclear skills for our future.

Mr. Lammy: Of course, Manchester is one of our great universities. I am sure the hon. Gentleman will recognise that the Government set out in "New Industry, New Jobs" the importance of key sectors of our economy that are integral to our growth. Universities pipe into those industries, of which the nuclear industry is one. I have not seen the letter, but I will look at it closely and liaise with the Minister for Science and Innovation if there is anything I can do. Of course, it is hugely important that we support the future economy of this country, and universities are key to that.

Huddersfield university has as one of its mission statements, "Inspiring tomorrow's professionals". It runs programmes ranging from foundation degrees for public service professionals to postgraduate masters degrees in entrepreneurship and research programmes involving close working with businesses, not just in Huddersfield, but across the west Yorkshire region. It has one of the youngest vice-chancellors in the country, and in 2009 he was named business person of the year by *The Huddersfield Daily Examiner* for the contribution the university is making in the area. I recognise the importance of Huddersfield university to regeneration. There is no better advocate in this place than my hon. Friend for universities of that type.

It is important to recognise that these are tough times. Like all areas of the economy, we are asking universities to make efficiencies. That must be considered against the backdrop of the Government increasing university funding by 25 per cent. since 1997. Our overall spend in higher education is now more than £12 billion. We must recognise that universities are able to lever in to their sector substantially more money as a result of that investment.

We have asked the sector to make savings, but I hope that my hon. Friend recognises that those savings are relatively small. Indeed, the recent grant letter that the Secretary of State sent to the sector amounted to an additional 1 per cent. on the teaching grant. We have indicated that there will be further savings up to 2013. However, I hope that my hon. Friend will recognise that that will be spread across the entirety of higher education, science and beyond. We do not yet know what the outcome of the spending review will be.

I stand behind all that my hon. Friend said and reassure him that the Government are with him in this endeavour. We are committed to higher education, as we are to further education, early years and secondary education. They all needed improvement in 1997. We are now in a position in which HE can be the guiding light as we move forward in this difficult time for our economy. I recognise how important the university will be for the people of Huddersfield.

Hatchfield Farm Development

1.29 pm

Mr. Richard Spring (West Suffolk) (Con): It is a pleasure to have you chairing our proceedings, Miss Begg, and I am grateful to the Minister for being here to respond.

We are here to discuss the proposed Hatchfield Farm development in Newmarket. The proposal is to build 1,640 houses in Newmarket overall—enough to house 5,000 people in a rural town with a population of around 15,000. It is proposed that 1,200 houses will be built on the Hatchfield Farm site itself. Newmarket is a rural town with a unique and colourful history, and it is one of the few places in the country that can genuinely boast of being an international hub for a high-value industry. The proposal would effectively increase the town's population by a third, which would be the equivalent of adding a development for 3 million people on to London. The proposal would damage an industry that provides a large share of all the jobs in the town.

Newmarket is home to two of the country's most famous race courses, almost 70 miles of gallops, 2,800 acres of fully maintained training grounds, 62 stud farms and 79 licensed trainers. At the peak of the season, more than 2,500 racehorses are in training there, and all are stabled in and around the town. Hundreds of horses need to be exercised on a daily basis, which is one of the compelling sights to be observed every day on the streets of Newmarket.

However, there is already a large and growing traffic problem—indeed, that is the very nub of the issue at hand. The more traffic with which trainers and racehorse owners have to deal, the less likely they are to make the commitment to Newmarket that the industry needs to survive in the town. Newmarket can have a more severe traffic problem, or it can have a horse training industry, but it simply cannot have both. To put it simply, under the proposals for the Hatchfield development, Newmarket will have a traffic problem that is potentially destructive.

It should be noted that Hatchfield Farm is not the only place where houses may be built, and that the council's proposals have been for a general urban extension to the north-east of Newmarket. However, Hatchfield Farm is considered the only realistic sizeable site for the extension. The proposal submitted to the council by the landowner of Hatchfield Farm is for 1,200 dwellings to be phased over 15 years, as well as retail outlets, restaurants, community facilities, sport and recreation facilities, a primary school and a park-and-ride facility. We should bear it in mind that the council's proposed plans also include 240 homes to be built on brownfield sites by 2020, as well as 200 more on greenfield sites by 2031. That would take the number of houses to be built in Newmarket to 1,640.

Why would the building of so many houses have such an impact on the all-important horse racing industry in Newmarket? First, the raising and training of young thoroughbreds requires a quiet and tranquil environment. The disturbance that will inevitably be associated with the construction and occupancy of so many houses and the noise of so much extra traffic will destroy that tranquillity. That is what has led Richard Fletcher, the chairman of the Newmarket town council development

[Mr. Richard Spring]

and planning committee, in his role as a spokesman for the town council, to assert that:

"if this proposal goes ahead, it would cause untold damage to the equine industry in the town and possibly its total demise."

He goes on to say that:

"there is insufficient employment in Newmarket to cater for the needs of the proposed new urban extension, indeed, jobs in the equine industries would be lost, and it is fanciful to argue that sufficient employment opportunities would be created. Newmarket would lose its unique character and become a lifeless dormitory town for Cambridge, Bury St Edmonds and beyond on the already too busy A14. The town council totally rejects this future."

Barton Willmore's evidence to the public examination in respect of the draft Forest Heath core strategy that was commissioned by Tattersalls, which is the leading bloodstock auctioneer, states:

"The horseracing industry consider that Forest Heath district council has seriously misunderstood the importance of the horseracing industry to Newmarket and its future and the detrimental impact that 1,200 houses, the largest single increment of growth in the history of the town, will affect adjacent horseracing yards and studs, the tranquil environment of Newmarket and the movement of horses on adjacent roads. An already fragile balance will be upset."

Barton Willmore goes on to point out that:

"in terms of both the scale and location of development, the proposed allocation of 1,200 houses on a peripheral greenfield site in North East Newmarket/Hatchfield Farm represents a fundamental change in planning policy for housing in Newmarket. On its own, this proposed greenfield extension is significant in that it represents an increase of over 13 per cent. in the total housing provision in Newmarket. Such a significant change in policy in a uniquely sensitive town demands a sound evidence base...The horse racing industry are concerned that the identification of North East Newmarket/Hatchfield Farm to accommodate 1,200 houses has not been subject to detailed studies or the provision of an adequate evidence base."

In the document planning policy statement 3, which was released by the Department for Communities and Local Government on 29 November 2006, criteria were set out. That document states that local authorities

"should identify sufficient specific deliverable sites to deliver housing in the first five years. To be considered deliverable, sites should, at the point of adoption of the relevant Local Development Document:

- Be Available – the site is available now.

- Be Suitable – the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities.

- Be Achievable – there is a reasonable prospect that housing will be delivered on the site within five years."

Will the community that such a development creates help to destroy the predominant local industry and employer?

Beyond those essential considerations, it has been suggested in the Barton Willmore evidence that

"in the preparation of the core strategy, the horseracing industry also considers that the council has not engaged properly with the industry nor understood its concerns. In particular, the horseracing industry point to the resolution of the LDF working group not to discuss their concerns until after the submission of the draft core strategy to the Secretary of State. It is also the case that the council only now seem to be putting in place the evidence base in support of the core strategy."

Peter Grimm, the strategic traffic manager of Suffolk county council, has said about the nearby junction between the A14 and the A142—a key arterial junction into Newmarket—that

"the Highways Agency have identified this one of the top 10 worst traffic junctions in the region. And there is no short term traffic solution to accommodate this development."

That is significant, given that the proposed developments would increase the size of the population using the junction quite dramatically. However, as it stands, nobody seems to be willing to pay for the upgrade.

At best, there is a widespread perception in the horse racing industry that Forest Heath district council has failed to consult and communicate effectively with it. That is particularly regrettable because Forest Heath has defended and promoted the industry in an exemplary way. For example, in my lifetime as the local MP, a one-time slump in racing meant that a number of local training yards were up for sale and their owners approached me—and, indeed, the council—aggressively to get permission for change of use into residential housing. The council admirably rejected those pleas, and the essential character of much of Newmarket was retained.

The overriding question is why the proposal is still moving forward. Two key issues need to be addressed: why are the houses potentially being built, and why are they being built on this site in Newmarket, when there is no demand and space is available in the nearby village of Red Lodge? The answer to both those questions can be found in the regional spatial strategy, which has been imposed by the East of England Development Agency. That strategy has in turn been imposed on Forest Heath district council and requires it to build 6,400 homes between 2001 and 2021. The requirement for 2021 to 2031 is 3,700 dwellings. That adds up to 10,100 houses by the year 2031. In the seven years between 2001 and 2008, 1,625 homes were built, which leaves 8,475 still to go. We are, of course, talking about one of the smallest local authorities in the country.

To put it simply, no local authority can avoid the targets set out for it in the regional spatial strategy, as the Planning and Compulsory Purchase Act 2004 strengthened the powers of the Secretary of State over local planning authorities. The local development framework, which the local district council produces, must be in general conformity with the regional spatial strategy and must go before an examination in public by a planning inspector before approval. That planning inspector can recommend changes, and if the planning authority refuses to carry them out, there is a default power for the Secretary of State to impose changes in the LDF.

As well as strengthening the powers of the Secretary of State, the 2004 Act abolished the next level down from regional planning bodies—the county structure plan. The Act therefore strengthened central powers and the powers to override the concerns of local councils and local people to move planning strategies forward, while at the same time detaching the setting of quotas further from local circumstances.

The regional spatial strategy is the driving force behind the proposed development at Hatchfield Farm. The councillors at Forest Heath have been left with no option but to plan for the overall construction of 8,475 houses between 2008 and 2031 in their area of jurisdiction and responsibility.

The reason more houses are being considered on the scale of the Hatchfield site is that Forest Heath district council is being required by law to do so by the regional planning authority. If the council had not submitted its core strategy, as part of its local development framework, it would have left the district with the risk of a policy vacuum, meaning that it would lose control over many planning applications because it would no longer have a five-year housing land supply. That is the draconian reality of the situation.

A letter from the Government office for the east of England dated 14 September 2007—the time of a campaign on saving local planning policies—stated that the local planning authorities

"should make good progress with Local Development Frameworks according to the timetables in their Local Development Strategies. The policies have been saved in the expectation that they will be replaced promptly".

The risk of a policy vacuum would also jeopardise the ongoing application of the existing saved policies that protect the training and breeding industry, which is a key and difficult point in the context of Newmarket.

Newmarket is one of only three towns in the district covered by Forest Health district council. It has, in practice, restrictions placed on it for expansion purposes by the fact that it has training grounds around it for horses and many training yards in the middle of the town. That highlights more than anything else the total inflexibility of the regional spatial strategy. Instead of allowing the housing stock in the area to grow organically, it requires an amount of housing to be built without regard to the local constraints faced. That is what leads us to the position we find ourselves in today, hence the debate.

Newmarket is not the only place where houses are being built. For example, the nearby smaller town of Mildenhall, which has a population of 10,000 and has certain restrictions placed on it because of existing flood plains and the presence of the US air force, has a target of 1,330 houses to be built by 2031.

Residents of Newmarket, to their great credit, have shown that activism is not dead in the 21st century. The group Save Historic Newmarket has shown a remarkable ability to galvanise people to action and organise them. I would like in particular to acknowledge the campaign led by Rachel Hood, Fiona Unwin, Jacko Fanshawe and many others for effectively raising civic awareness and attempting to preserve the built heritage of the town and its unique character, which stretches back over several hundred years.

That is why the shadow Secretary of State for Communities and Local Government, my hon. Friend the Member for Meriden (Mrs. Spelman), has said that, if the Conservatives are elected, she will abolish the bureaucratic and undemocratic tier of local planning. That will include the abolition of the regional spatial strategies, the regional planning boards and national and regional targets. She has said that she anticipates primary legislation in the first year of any new Conservative Government and that, prior to introducing such legislation, she would consider whether to use the executive powers of the Secretary of State to revoke the regional spatial strategies in whole or in part.

The core of the issue is this: if the current framework for planning applications remains in place, not only will the people of Newmarket be left with the Hatchfield Farm development, but similar developments will be imposed on other communities with little or no regard to the feelings of the local people who have to live there or to their livelihoods.

Towns and villages all over the country are being considered for expansion to meet the quotas for housing that are set down in the various regional spatial strategies. The central targets are laid out before the regional planning bodies, which then impose targets on district councils such as Forest Heath. Those councils are then forced to propose developments such as the one that I have described. The people who live in the places affected then have to organise themselves and expend huge amounts of time and energy defending their interests and those of their town for sense to prevail. It is time for the Government—I hope we will get some comment from the Minister on the matter—to recognise all the difficulties they have created for so many people due to the implications of their draconian policies.

Housing must reflect the real needs of real people, which is why developments such as those proposed for Hatchfield Farm must be prevented before they are begun. I hope that the Minister will now understand why I have introduced the debate. It is clear that there appears to be insufficient flexibility in existing legislation to deal with the problem that has arisen in Newmarket, which I dare say is replicated in other parts of the country. As a result, the local council has found itself at the receiving end of a huge tide of local anger, and the situation has been compounded by communication and consultation issues. I cannot believe that such absurd inflexibility, which in this case will damage the quality of life and the main industry of the town, was in the minds of the Government when the 2004 Act was drawn up.

Newmarket is a precious jewel in the life of England, with its extraordinary character and history. Frankly, however, the proposed development, which is obscene, has the capacity to destroy it.

1.47 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): It is a pleasure to serve under your chairmanship, Miss Begg, and to respond to the debate. I congratulate the hon. Member for West Suffolk (Mr. Spring) on securing it. He is clearly a champion for his constituency and for the racing industry that has made it famous. He has set out a passionate and fascinating case for the industry and its contribution to the local economy.

I hope that the hon. Gentleman will understand that, because a planning application has been submitted to Forest Heath district council that could come before the Department for consideration, I am unable to comment on the details of the proposal. As he said, the local authority is at an advanced stage with its core strategy for Forest Heath, and that plan is being tested by the Planning Inspectorate through an examination in public, so I hope that he will appreciate that it would be inappropriate for me to comment on the merits or otherwise of that plan. However, I can discuss some of the more general points he has set out and try to respond to them.

It is through the core strategy that Forest Heath district council is planning for the future development of the district in the years up to 2021. Its aspiration is to achieve a suitable balance between protecting the area's

[Mr. Ian Austin]

local distinctiveness and enhancing the district's high-value business and tourism economy, which the hon. Gentleman so eloquently described.

The recently published comprehensive area assessment for Suffolk highlighted the fact that although people in the county generally enjoy a good quality of life, the economy is not as well developed as it could be. I am told that high wage opportunities are relatively limited, especially in the more rural parts, that modern businesses are not being attracted into the county in sufficient numbers and that there is a lack of housing to meet the needs of local people.

The east of England plan, as the hon. Gentleman said, puts in place a framework to deal with some of those issues. It promotes sustainable development, especially in respect of housing shortages, supports the continued growth of the economy and enables all areas to share in prosperity in the future. It has identified a need to deliver 6,400 homes in Forest Heath by 2021.

Housing targets have been determined using a strategic, evidence-based approach that takes into account current and future need and demand. Forest Heath's target of 380 homes per annum was delivered last year, but more housing will need to be delivered to make up for under-provision in the past, when only 50 per cent. of the target was achieved between 2001 and 2004, and to meet growing local needs.

There remains a significant unmet need for housing, especially affordable housing, right across the county, and that is no different in Forest Heath. Only 23 per cent. of homes built in the district in 2008-09 were designated as affordable homes against the target of 35 per cent. in the east of England plan. It is therefore important that authorities across Suffolk continue to work to deliver much-needed homes and to provide for the local community's needs.

As we know, it is Government policy to ensure that everybody should have the opportunity to rent or buy a decent home at a price that they can afford in a place where they want to live and work. Indeed, this Government invested more than £11 million between 2005 and 2009 in the form of grants to registered social landlords to support delivery of low-cost home ownership and social rented housing in Forest Heath.

We continue to support authorities in delivering more affordable homes through the housing pledge, in particular the national affordable housing pot. Two developments in the area have also been shortlisted for Kickstart funding. The district of Forest Heath lies in the Cambridgeshire housing sub-region, which was allocated £112.3 million for 2008-11 to help to ensure that more affordable homes can continue to be developed locally.

Newmarket, as the largest town in Forest Heath and the international home of horse racing, as we have heard, plays a key role in driving forward the area's future prosperity, and that is recognised in the council's draft core strategy. The plan—it was not drawn up by me, and I am not a spokesman for the council—identifies the need to develop and promote Newmarket's role as the living heart of British horse racing while at the same time seeking to increase the town's potential for business and economic growth, and for better fulfilling its role in the Cambridgeshire sub-region. The plan proposes 1,640 homes to be delivered in Newmarket by 2021 to help to meet the needs of local people and businesses. It also identifies the need to develop and promote the area's economy.

The core strategy sets out the vision and policies that have been formulated in consultation with the local community. As I said earlier, it is being tested through the examination-in-public process, which is an important forum for considering the area's future. I am sure that the hon. Gentleman and others who are interested in the area's future and who have a passion for the area, as he set out this afternoon, will follow it closely. I hope that once it is complete, a strong vision for the future will be in place that everyone with an interest in Newmarket can get behind.

Mr. Spring: I am most grateful to the Minister for replying so courteously and comprehensively. I want to understand the procedure if there is a situation in which, for whatever good intent, a housing development is likely to have an extremely corrosive impact on the life of a community, employment or the environment. I would like to understand what the role of the Government might be in considering how to take the matter forward if a proposal does not correspond with what is set out in the local development framework.

Mr. Austin: An application for a proposed development at Hatchfield Farm has been lodged with the district council. In the first instance, it is for the local authority to consider it. However, the scheme could come before Communities and Local Government Ministers for determination, which is why, as I said earlier, it is not possible for me to comment on the proposals at this point.

It is the policy of the Secretary of State to be selective about calling in planning applications. In general, he will take such a step only if planning issues of more than local importance are involved. Such cases could include those that may, for example, conflict with national policies on important matters, have significant effects beyond their immediate locality, give rise to substantial regional or national controversy, raise significant architectural or urban design issues or involve the interests of national security or foreign Governments. There is a range of factors on which applications could be called in, and each one is considered on its individual merits. I have no doubt that the hon. Gentleman will be making representations as the issue develops to the local authority and to the Government.

In conclusion, I wish to make one more point. The hon. Gentleman said that it is his party's policy to abolish regional spatial strategies, targets for housing development and all the rest of it if it were elected. The challenge that he and his colleagues face is to demonstrate to their constituents and, indeed, families across the country how they will ensure that they can provide the homes that this country needs and that families are desperate to buy—there are young people in his constituency, like everywhere else, who are desperate to own a home of their own—without some kind of national, regional and local planning framework that ensures that such homes are, in fact, developed.

The hon. Gentleman and his colleagues need to demonstrate how we could rely on local authorities across the country—on their own, without any form of co-ordination at a local, regional or national level—to

ensure that homes were developed. It is simply not true to suggest, as his party does, that regional spatial strategies are some kind of new and terrible invention, when we in England have had regional planning functions for decades. Even in the past, the county structure plans were drafted within a strategic planning context set by regional planning guidance. In one form or another, it has always been the position that we need co-ordination at a national, regional and local level if we are to ensure that the homes that people need to live in are developed, and that jobs in the construction industry are protected. I apologise again to the hon. Gentleman for not being able to comment in detail on the development about which he is concerned, and I thank him again for securing the debate.

Question put and agreed to.

1.58 pm

Sitting adjourned.

Westminster Hall

Wednesday 20 January 2010

[MR MIKE HANCOCK *in the Chair*]

Leeds (UK Economy)

Motion made, and Question proposed, That the sitting be now adjourned—*(Lyn Brown.)*

9.30 am

Mr. Mike Hancock (in the Chair): We now have a debate on the success of Leeds football club defeating Manchester United, or is it on the economy of Leeds?

John Battle (Leeds, West) (Lab): It is no bad thing to mention Leeds and Man United at the present time, and it was in that spirit that I chose to debate the Leeds contribution the UK economy. I welcome my colleagues, and our regional Minister, who serves our region brilliantly. I thank her for her work, and for attending today.

I aim to spell out the huge contribution that Leeds makes not only to Leeds city and the regional economy, but to the UK economy as a whole, as that does not receive enough emphasis. I am known in the House and elsewhere for emphasising the poverty that still mars our city, and the statistics show that, sadly, Leeds is still in the top 10 of the most unequal cities in the country. It is still divided between those with the benefit of income, wealth, prosperity and property, while others—many of them in inner-city areas such as my constituency—lose out on good jobs, good housing and quality of life chances for themselves and their families. I am certainly not complacent about the needs of my neighbourhood and of people in Leeds. Every job lost means that we must work hard to obtain another to take people into the future.

My impetus for today's debate was a former colleague's comment. Boris Johnson is now the Mayor of London, and last October he was reported to have said in a keynote speech in London:

"No disrespect to Manchester"—

obviously he thinks that Manchester is important—

"but if you want to stimulate the Manchester economy—and Leeds and Newcastle—you invest in London."

I say with no disrespect to Manchester, "No Boris, you are completely wrong. You invest in Leeds to ensure that London and the UK economy thrives." We turn it round.

Mr. Andrew Pelling (Croydon, Central) (Ind): I am pleased to intervene as a London Member, and I declare an interest, as my daughter is employed partly in Leeds, so the Leeds economy is important to me. Is it not important to London to bear in mind the fact that Leeds is the second financial centre in the UK, and that good investment, particularly in transport in, to and from Leeds is important to the UK economy as a whole?

John Battle: I thank the hon. Gentleman, who is absolutely right. Leeds's role as a financial centre is vital, and we must remain connected, and link the country together economically, metaphysically and through transport links. If we do not have a high-speed link to London, that will jeopardise not only the Leeds economy, but the UK economy. I am grateful to the hon. Gentleman for the spirit in which he made his intervention, particularly as I may have been interpreted as being anti-London, which I am not. However, the contribution of Leeds as a whole must be considered.

Leeds's great economic strengths lie in its economic diversity and adaptability over the years. The hard work and ingenuity of the people who live and work in Leeds blend past manufacturing and production with enterprise and commerce. That blending is unique, and I shall refer briefly to historical tradition, the story of Leeds, and the current statistics, but I also want to press the case for Leeds to continue as an economic powerhouse. We need a stronger future focus on skills and training for the 21st century and better public transport, as the hon. Member for Croydon, Central (Mr. Pelling) said—and I am sure that we all agree with his comment—to link us to the rest of Britain. Crucially, we need the high-speed rail link. Without Government intervention in those two vital infrastructure areas, Leeds's continued growth will be held back during the 21st century, as will the UK's prospects.

Some of my colleagues are historians and know the story of Leeds. They may want to slip out for a coffee break because they have regularly heard me speak about its history. Leeds has a long tradition of regenerating itself from within since the Romans crossed the ford on the River Aire, and the Venerable Bede mentioned the market town of Leeds and the little hamlet. Henry VIII's chaplain, John Leland, referred to the Leeds market on the bridge. It was a centre for trade and commerce in the region throughout the ages, and the city was built up around that bridge with various industries and trades. The root of Leeds's economy is in my constituency in the great Cistercian abbey of Kirkstall, which was built in the 12th century.

The abbey had a huge sheep farm, and a fulling mill, and employed the whole neighbourhood in wool production, from shearing to drying. It developed smelting, forging, tanning, weaving and pottery making. The template was set for a diverse economy, and over 400 years Leeds developed into the textile centre of Britain, linked to the continental cloth markets. It was recognised in places such as Florence, Italy, France, Belgium and Holland as the place for commerce and trade in the textile industry.

Colin Challen (Morley and Rothwell) (Lab): I agree with all that my right hon. Friend says, but does he agree that back in the early days, Rothwell was a more significant commercial centre than Leeds? It is now enveloped by Leeds, but that is also part of history.

John Battle: I am tempted to say that debates on diversity and multiculturalism must stretch as far as places such as Rothwell, Garforth and Pudsey—places that were independent, and some of which were named in the Domesday Book before Leeds. Elmet was certainly there first, and my hon. Friend the Member for Elmet (Colin Burgon) is here today.

The notion that Leeds can blend a collection of urban villages around itself and could build on those strengths since its organisation into a metropolitan

[John Battle]

district is significant, because it adds range to that diversity of industries. During the 18th and 19th centuries, Leeds moved away from wool textiles, which shifted to Bradford. It then became a centre of engineering excellence with great names, such as John Marshall, Benjamin Gott, John Barran, Matthew Murray and Blenkinsop. The rail industry, and locomotives were also important. The textile industry grew up with new manufacturing, and Armley Mills in west Leeds was the largest factory in the whole world. With that shift to become an engineering centre of excellence, Leeds produced hundreds of engines and trains that are still seen throughout the world.

In 1892, Leeds had 900 factories and workshops, and was the workshop of Britain. The names of the great industrialists and engineers are on the walls of the town hall and the civic hall in Leeds. Leeds's great tradition involved not just production, but the trade link of commerce. In the 1890s, *Leeds Illustrated* said that it was in trade that Leeds began to shine, and that it was a town of a hundred different trades making everything from shoes to machinery, from furniture to Yorkshire Relish.

That diversity involved not just making, but trading. As we moved towards the turn of the 20th century, Leeds became known as the city of 1,000 firms. It had moved on from wool, textiles and engineering to the great diversity of a production economy. It was characterised as one of the most diverse economies in the world. It was not dependent on a single industry, company or mine, but was involved in textiles, clothing, engineering, printing, production of chemicals and toiletries, and financial services. The hon. Member for Croydon, Central referred to financial services. Price Waterhouse was founded in Leeds in 1865, so there was a tradition of financial services even in those early days. In 1911, printing employed more than 8,000 local people.

On the diverse economic base of a self-made city, small and medium-sized firms grew up locally. Leeds became a regional centre of business, and thrived on the interaction between diverse industries and firms, which enabled Leeds to develop new ideas, to be innovative and to move forward, providing employment not only for the city, but for the whole region. As we moved into the 20th century, Leeds had a strong manufacturing and production base, and a long tradition of commercial activity. It had a thriving economy of its own, but it was the hub of a wider regional economy.

By the time I was born in 1951, Leeds was a city of 5,000 firms. Today, it is a city of 29,000 firms, many of which are small and medium-sized, but that illustrates its energy for innovation and regeneration. In the '70s, there was a shift from manufacturing to services in both the public and private sectors. The universities developed—the huge Leeds university and Leeds Metropolitan university—as did hospitals such as St. James's university teaching hospital. Local government developed with that reorganisation.

In the mid-20th century, there was a shift from manufacturing to retail and the great stores. Indeed, the whole notion of town centres, high streets and shopping was not too far removed from Leeds. The first great general store in the UK was Leeds Industrial Co-operative Society in 1893. Marks & Spencer grew from the business of Michael Marks who, as everybody knows, had a penny bazaar in the market. Clothing was produced by Burton and Hepworth.

When I served as a councillor in the '80s, I worked on the economy of Leeds and on economic and employment development, and I remember a very significant figure. Between 1977 and 1987, 17,500 jobs were lost in manufacturing, particularly in the traditional engineering sector. At the same time, 17,500 new jobs were created in the service sector for both public and private professional services. Banking, accountancy firms and lawyers moved into the city at that time, but there was a shift from the inventive skills of 19th-century engineers to the flair of retail and business services. Creeping through at the end of the 20th century, we find the new science, technology and creative industries of the digital age based in Leeds, as the city transforms itself, quietly, as if within a chrysalis, to move into the 21st century. Today's city of 29,000 firms is still a diverse, permanently changing economic base.

Such diversity enabled Leeds to avoid the worst of the depression of the '30s. There was economic intervention to help people in Leeds. The unemployed were asked to build the civic hall as a job project, and to invest in public buildings. Because of its diversity, Leeds survived the worst of that depression. That was also true in the '80s through the local council's intervention and focus on job generation. I will return to that issue shortly. Diversity has helped Leeds to survive, but it does not happen by accident. The city needs support, encouragement, fostering and investment.

In 1893, the Leeds chamber of commerce in its annual report recognised the

"good fortune of Leeds in having an economy based on a diversity of manufacturing and commercial activity.".

Its editorial suggested that by keeping the two activities together, Leeds would thrive. That is the city's real strength.

Today, Leeds is a city of over 775,000 people, and it is the fastest growing city in the country. It is not an ageing city; young people are moving into Leeds, and it is increasingly seen as a young city. The average age in Leeds is dropping, which is good news, because the ideas will remain. Leeds is halfway between London and Edinburgh, and is situated between Hull and Liverpool. If someone puts a dot on the map and says that they want to relocate Parliament because the River Thames is starting to flood, they could not find a better centre of Britain in which to do that than Leeds, but I shall not go down that route.

At present, Leeds employs 445,000 people in local manufacturing, commercial and public services. Every day, 100,000 people from the wider region of Bradford, Wakefield, Dewsbury, Halifax, Harrogate and York come to Leeds, and every evening, 100,000 people leave. Their work is in Leeds, which acts as a giant economic lung, breathing in the work of the people from roundabout. It is still the third largest manufacturing centre in the UK, the UK's largest provincial printing sector and the second largest financial sector. It has 90 private legal practices and 12 head offices. Five FTSE 350 companies are based in Leeds, including companies such as Northern Foods and Asda. Yesterday, Asda sent me an unsolicited note to say that its contribution to the UK economy is £13 billion per year—0.9 per cent. of gross domestic

product. Of course, Asda's great operations are not only in Leeds, but it shows that some of the top companies are now based there.

Leeds employs 105,000 people in high-value, knowledge-based intensive industries of the future, which is good news. It also employs 29,000 people in the digital and media industry, which means that Leeds has that strength for the new computer age of the internet and new communications, and it is well positioned for the 21st century. Contributions to the UK economy are now measured in gross value added, rather than the old GDP. Latest estimates put the GVA figures for Leeds at £17 million, but once we add in the goods and services that the Leeds economy pulls in from the wider region, it is estimated that Leeds contributes over 1.5 per cent. of the country's GVA. It makes a larger impact economically than just that made by the local people. Bringing people into the city brings dynamism to the economy, not only for the region but for the country as a whole.

Per head of population, GVA was £22,387 in 2007, which is 112 per cent. of the UK average, and 134 per cent. of the regional average. Leeds was the only area in Britain where GVA per head was higher than the national average. In other words, Leeds really does punch above its weight. The economic impact of the city means that its economic footprint—that is the phrase—goes far beyond the administrative boundary of the Leeds district and includes Rothwell, Pudsey, Garforth and other areas of the city. That has been recognised recently by Government in the City Region project, which works on things such as the Aire valley project, and which will generate another 27,000 jobs over the next 10 to 15 years. That has been recognised by the Government and the Yorkshire development agency, but I wonder whether the economic impact is being fully backed up.

I want to stress that Leeds is in a strong position and is expected to generate 34 per cent. of the region's future employment within the next decade. That was spelled out this week in a report published by Centre for Cities, which undertook research analysis of the economic performance of 64 English towns and cities and the outlook for 2010. The report stated that in 2008, 62 per cent. of jobs in England were in cities and 39 per cent. of those were in just five cities—London, Manchester, Birmingham, Liverpool and Leeds. Of England's high-skilled workers, 62 per cent. are in those cities, which is a 40 per cent. concentration in top cities such as Leeds. In other words, the report recognised Leeds as one of the country's top economic powerhouses, well placed to thrive as the UK emerges from the recession. It will be one of the big hitters that will make a difference to whether there is a strong sustainable recovery, or whether we have a so-called double-dip recession.

I would like to quote from this week's *Yorkshire Post*, which mentioned the Centre for Cities report that underlined the role of Leeds as an economic driver. The chief economist of Yorkshire Forward, Patrick Bowes, stated:

> "We welcome the news that Leeds is among those cities expected to drive the UK's economy out of the recession as we believe that Leeds is central to helping the region move quickly out of recession."

I could not agree more, but I would say that Leeds is central to the UK as a whole. Interestingly, the Centre for Cities report focused on two points—the need to boost local skills and the need to improve local public transport links. Those are the two key areas that now need underpinning in the Leeds economy.

I will briefly touch on skills and training. As I have mentioned, Leeds has a tradition of practical intervention—what we would now call "fiscal stimulus"—to make sure that it does not sink during a recession. I mentioned the building of the civic hall; during the '80s—in the face of the recession, cuts under Mrs. Thatcher's Conservative Government, and radical reductions year on year in public investment in the local authority—we had a visionary leader, my hon. Friend the Member for Leeds, East (Mr. Mudie), who cannot be with us this morning. He understood that we needed to produce programmes for skills training to ensure that people were not left behind.

My hon. Friend the Member for Selby (Mr. Grogan) is present; he worked with the next leader of the council, my hon. Friend the Member for Hemsworth (Jon Trickett), who built up the partnership to see whether the public and private sectors in Leeds could work together. That was innovative work at the time. There was intervention to develop skills, and to build public-private partnerships, to ensure that the diverse economy of Leeds survived.

Mr. Pelling: I congratulate the right hon. Gentleman on securing this important debate. Does not what he is saying about the impact of the rate of cuts in public spending show that it is important that if public spending is cut, it is cut only at a reasonable rate? What damage would be done to the Leeds economy if there was too precipitate a cut in public expenditure in that important area?

John Battle: I am grateful but rather shocked to hear the hon. Gentleman's intervention. I warmly welcome it because he is right, but I prefer to consider the issue not in terms of the rate of cuts, but in terms of the areas that we ensure that we support, and I am suggesting support for skills training and transport.

When my hon. Friend the Member for Leeds, East, was leader of the council, he pressed for exactly the kind of fiscal stimulus that the Government are now applying nationally. We were doing it then. That was what my hon. Friend the Member for Selby backed, and I dare say that my hon. Friend the Member for Pudsey (Mr. Truswell) did so, too; he was a member of Leeds city council at the time. They understood the need for that kind of fiscal stimulus. It was not a case of letting the economy sink and seeing what happened. The hon. Member for Croydon, Central, might talk to people from his own party much more about the strategy, because we had it working in Leeds.

I heard comments on the radio the other day about education. My hon. Friend the Member for Elmet was one of the top educationalists in Leeds when he was a teacher there. I still meet people whom he taught when he worked in some of the toughest schools in Leeds. The suggestion was that education and training was the way forward. There is now discussion about that. We are not there yet. We have had some investment in primary schools and a little more in secondary schools, but we need to consider the training of older workers; we need to consider the post-16 generation.

I know that the Government have helped Leeds. There has been a stimulus of £20 million from the future jobs fund, and that is Government action. There

[John Battle]

was no Government action in the 1980s; we on the local authorities acted on our own. Recently, 79 small businesses in Leeds got help worth £8.6 billion from the enterprise finance guarantee scheme. Seven of those are in west Leeds. Twelve businesses received investment of more than £17 million from the capital for enterprise fund equity scheme. With the pressure on Yorkshire Television, Screen Yorkshire and Studio 81 have helped to get the film industry going again. That is the kind of stimulating investment that I want to see. If I may make a jaded remark to the hon. Member for Croydon, Central, it is that investment that we need, not Tory tax cuts just for those families bequeathed more than £2 million; those cuts will be worth nearly £500,000 to them. My priorities are about investing in the skills of the future.

The Centre for Cities report emphasises the need for a clear skills strategy, and it suggests that it needs to be targeted better and based on an understanding of the city's role in the UK economy. I plead with the Minister to consider the need for local skills centres, because in my neighbourhood, through subcontracting, the skills centre has been moved to another district of Leeds, and is now not accessible by my constituents in the same way. That means that we cannot develop the links with local employers that we need to ensure local skills training, so some pockets end up without the training that they need. Can we look again at local skills training, advanced apprenticeships and, indeed, the whole lot to ensure that people are not left behind, as the Centre for Cities report suggests we should?

The report acknowledges that Leeds has a strong infrastructure. The infrastructure has been provided—primary schools, secondary schools, universities and hospitals. We have digital and fibre-optic networks. We have quality business, office and enterprise space. However, the area needs skills training to move us into the bio and nanotechnologies, the green technologies, the new jobs of the future in industrial biology, health care technologies and environmental technologies, as we now shift again from consumers to producers. We need to meet the new demands for products and services in response to not only technological innovation in the digital age, but changing social and living patterns in a fast-growing young city. We need to shift the skills training up a gear or two.

I shall briefly mention high-speed trains. I do not have time to go into internal public transport links, but if 100,000 people are coming into the city and 100,000 are going out, we need good public transport, and we are not there yet by a long mile. We need to do much more to ensure that Leeds has a proper system for bringing people in and out of the city. I tell the Minister that we need the link to London, as the hon. Member for Croydon, Central, said. Before a decision is made on high-speed trains, we need to be sure that there is a phased introduction of a network for the UK that does not jeopardise the east coast line. If we decide on the west coast, Leeds will be left out on a limb, so we need to ensure that there is a high-speed link between Leeds and London in the 21st century.

Mr. John Grogan (Selby) (Lab): I seem temporarily to have been promoted to the Minister's Parliamentary Private Secretary—it is the highlight of my career. Does my right hon. Friend agree that there is a fear in Leeds and the wider city region, of which Selby is a proud part, that if a high-speed rail link were announced predominantly for the western side of the country, Leeds and the Leeds city region could lose out? Is it not unacceptable to produce a plan that does not clearly state that the east coast will have a high-speed rail link and, ideally, that there will be a high-speed link across the Pennines? If it is a case of putting Crossrail on hold and saving £5 billion, that would be well worth doing if it meant that Leeds got its high-speed rail link.

John Battle: Amazingly, the same suggestion that we keep those connections to Leeds going was made in 1968 to the Secretary of State at the time. It took the Government until 1972 to accept the report, and then there was still no action. I agree with my hon. Friend. May I say to the hon. Member for Croydon, Central, that if there is pressure on budgets, Leeds should come before the Crossrail project? It should take top priority; otherwise Leeds is cut off. That is why, if choices are to be made, I am in favour of the Leeds high-speed link. Crossrail would have to wait, because Leeds is more important.

Mr. Pelling: As the right hon. Gentleman must recognise, it is important that Crossrail have a role. I am not a member of the Conservative party—he attacked me as though I were a Conservative—but is it not to the credit of the Conservative party that it is the one party that is willing to consider a smaller Crossrail and to be mindful of the importance of value for money?

John Battle: We could go down that road, but I am putting down a marker to say that Leeds has sometimes been left out because it has not been seen as being as important as London and the south-east. It is time to invert that ratio. That is what I am suggesting.

I thank the Minister for answering a wide range of written questions that I have tabled in the past few weeks on the Leeds economy. The subjects of those questions ranged from the effects of the recession on financial services in the city to an analysis of where everybody works in the city and the region, in terms of each of the standard industrial classifications. Those questions and answers have been helpfully set out in the Library debate pack. I am grateful to the Minister for her response, because it gives us a picture of where Leeds is up to now.

I also thank the chamber of commerce, which provided information, the city region project and particularly Yorkshire Forward. As I say, there is the city region project, but at least Yorkshire Forward recognises that Leeds is larger than the region; it is not to be confined to the Leeds city region. Its role in the UK economy is acknowledged by Yorkshire Forward, which is doing a brilliant job. I want it to go forward, not, as I think Opposition parties have suggested, be shut down.

Colin Challen: Does my right hon. Friend agree that the Conservative party's proposal to abolish the regional development agencies would be very damaging? The agencies may need reform and improvement, but the city region of Leeds surely calls for a regional development agency to underpin its development, which is so important, as he said, to the whole country.

John Battle: Most hon. Members would concur with that view; I certainly do. We need Yorkshire Forward. Like all organisations, it has to improve. It has to be more accountable and challenging. It should challenge us, just as we have to challenge it, but it must keep its focus on the fact that Leeds is an economic driver for the country as a whole. If Yorkshire Forward does that for Leeds, it will be continuing to do a good job. I am grateful for the work that it has done so far.

To continue to contribute to the UK economy, Leeds will need to be backed up, so that it remains a means of leading the UK out of recession into a more prosperous and sustainable economic future. That refers to the quality of jobs in the future, not just to the value that is placed on them. It refers to the work that people do in the service industries, which is undervalued.

I would have liked a fiscal stimulus that invested more in, for example, care for the elderly, which would put money into revenue. We should value such jobs, which will be the jobs of the future. The New Economics Foundation has published a report about the jobs of the future and their value. We should take them seriously, so that we do not weigh a care worker against a banker and say that the banker is more valuable. In the future, we might find that it is the other way round.

It is perhaps not well known in Leeds that I am not actually from Leeds. I have hidden that fact, not too conspicuously, from my constituents, but my passport says that I was born in Bradford, which is true—I was born in a hospital there. I did not grow up in Leeds either, but in a place called Batley Carr in Dewsbury. For me, Leeds was the big smoke; it was like London, and if I went there for a ride on a tram, it was like visiting London. For about a third of my life, I thought that Leeds was where the Queen lived. However, I have spent my life working in Leeds and I am proud to be part of the golden economic triangle there. That is because of the people who work there and because of their imagination, energy, commitment and damned hard work.

In my region of Yorkshire, which covers Leeds, Bradford, Wakefield and Dewsbury, we really have something going for us, which we have protected through the centuries. We have made a massive contribution to the UK economy over the centuries and we are well positioned to take the country into the 21st century. However, we need the Government to be a bit more focused on skills, training and transport so that we can continue to play that role.

10.1 am

Colin Burgon (Elmet) (Lab): I congratulate my right hon. Friend the Member for Leeds, West (John Battle) on securing the debate. I want to speak for two reasons. First, I am a Leeds MP. Secondly, I am proud to say that I was actually born in Leeds—I am quite a phenomenon—and I have lived my whole life there.

Over the years, I have watched the changes that have taken place in the city, and it has changed quite dramatically in my lifetime. I was brought up on the Gipton estate in east Leeds, and my father was a tailor at Montague Burton, at a time when it employed 10,000 people under one roof. Although I was not aware of this at the time, there was a certain social cohesion in Leeds, which, if I am honest, I cannot detect today. Leeds is in danger of becoming two cities, with thousands of people left out of the so-called economic miracle that we keep hearing about.

Obviously, some of the changes that have taken place have been good. As a teenager, I would never have dreamed of going into the city centre, which was quite a rough place. If people go there now, the only danger they face is being bumped into by groups of mainly young women who are having a nice drink and a nice time. So the city centre has changed for the better. However, the collapse of the manufacturing industry in Leeds has had an impact. I taught in east Leeds in the mid-70s and that was when the decline really started. The city's manufacturing base in engineering, textiles and clothing began to collapse and its place was taken, for the youth of Leeds, by what I can only describe as pathetic youth training schemes, which have left their mark on the whole notion of training in my city.

I do not want to appear like someone out of the Monty Python sketch about the Yorkshire men living in a shoe box, and some things have changed for the better. I compliment the regional development agency on its work and I compliment the Minister, who has been a proud champion for our region. The figures—they are just rough figures—show that the city has about 100,000 jobs in the financial sector, 40,000 in manufacturing, 20,000 in construction, 80,000 in catering, distribution and related trades, and 130,000 in public services. Of those jobs in public services, 33,000 are in Leeds city council and about 14,000 are in the NHS, and I will draw a political lesson from that when I conclude my remarks. I do not want to go on too long, however, because other hon. Members want to speak.

We also have 60,000 students in our city, which is excellent, and they are based at two universities with worldwide reputations. The paradox, however, is that we also have 12,000 younger people who are labelled as NEET—not in education, employment or training—and that is 2.8 per cent. above the national average. Why are 12,000 of our young people in that category when about 400,000 jobs are generated in the city? There has been a failure to focus properly on the youth of Leeds, to give them proper training and to create the economic conditions in which they can find work, and we must address that. By April 2010, the local authority will have got funding from the Learning and Skills Council to address the problem, and I assure Leeds city council that many of us will be closely monitoring the effectiveness of its work. We need to know now what plans are being put in place to get our 17 and 18-year-olds into employment.

While I am on youth unemployment and wider unemployment, I should say that I detect a tightening of the social mobility that I experienced. I very much doubt whether a kid in Gipton today would become, or think about becoming, a Member of the House of Commons. There has been a tightening of social mobility as significant sections of our city have been left off the map of economic development, and I refer particularly to my old stamping ground of east Leeds. That really concerns me because social mobility has virtually come to a stop in places such as east Leeds, where people used to move up the social ladder and out into places such as Garforth in my constituency. That has real implications for the cohesion of the city. Unless we address the poverty in our city, all the fanfare and all the statistics

[Colin Burgon]

showing how much progress has been made will sound pretty hollow to many Leeds citizens.

John Battle: I would not like to give the impression that the skills in Leeds were all lightweight. One thing that made a difference in the '80s was the skills centres—the east Leeds skills workshop, the Harehills tech project, the Tech North project and the Seacroft skills project. The problem is that they have been allowed to decline. Although they did not tackle the whole problem, there was a focus on skills and training, and we need to refocus on that. These were not just lightweight jobs; some real jobs came out of those skills centres. That was a council programme and it should be replicated. Does my hon. Friend agree?

Colin Burgon: Yes. I am all for the intervention of councils, RDAs and the Government, because the market will not deliver for the citizens of Leeds. The Conservatives in our city may well practise free-market capitalism, but if we are subjected to it, it will be bad news for the citizens of Leeds.

On the wider question of poverty, the RDA has produced an excellent briefing, which says:

"On average 25 per cent. of households are living below an acceptable standard of living and in Leeds the proportion is 29 per cent.",

which means that approximately 92,000 households in my city

"are surviving on less than the minimum income needed to achieve an acceptable standard of living."

The briefing goes on to say:

"More detailed analysis shows that over 55 per cent. of households in Gipton and Harehills ward and 41 per cent. of households in Leeds Central constituency are living below this acceptable standard of living."

We have to face up to that. The shining image of Leeds city centre has to be reflected right across our city.

Two years ago, we failed to get national renewal funding, even though 150,000 people were living in deprived conditions at the time—I dread to think what the figure is today. That illustrates the fact that this is almost the tale of two cities. I do not want to be too negative, because we should point the way forward. However, my intuition says that the financial sector, despite the image that it has given of itself, will not address the needs of 10,000 young people or of others who are in semi-unemployment or poor employment conditions. Only a strategy of returning an expanded manufacturing base to our city will address their needs.

In that respect, Leeds is uniquely placed to develop green-collar jobs. We are told that low-carbon industries in Britain already employ almost 900,000 people and represent 7.4 per cent of the UK's GDP. I would argue, as my right hon. Friend the Member for Leeds, West did, that the historic manufacturing base of Leeds, alongside its world-class universities and its proximity to the North sea offshore wind farms, for which huge expansion is planned, means that it is well placed to benefit from growth in highly skilled and semi-skilled green-collar jobs. Those are precisely the jobs that the young—and middle-aged—people in Leeds who have been left outside the city's economic regeneration can plug into. I make a plea for Leeds city council, the regional development agency and the Minister to develop a strategy to get those green-collar manufacturing jobs into the city.

The significant part played by the public sector in our city has been remarked on, and I warn my fellow citizens of Leeds that if a Conservative Government are elected in June, with their 10 per cent. cuts across the board, the people of Leeds will feel the full harsh effects of Conservative free-market economics. I urge them not to go back to the dark days of the 1980s. I am proud of my city and want it to march forward united—that is not a pun on the football team. I realise that the market will not deliver for the citizens of Leeds. It is Government intervention that will underpin the development of my city. I hope it goes on to great things.

Several hon. Members *rose—*

Mr. Mike Hancock (in the Chair): Several hon. Members want to get into the debate, and I intend to try to allow that. I can, under the rules, limit the Front-Bench contributions to five minutes, instead of 10. I know that the Minister is keen to speak for more than five minutes. However, because of the specific issue I want to give Leeds Members every opportunity. I hope that the Front-Bench spokesmen will concede that; I shall allow them as much time as I can.

Lorely Burt (Solihull) (LD) *indicated assent.*

Mr. Mike Hancock (in the Chair): I am getting an indication from the Liberal Democrat spokesman that she will settle for five minutes. If we can proceed in that way we shall be able to achieve what we set out to.

10.12 am

Colin Challen (Morley and Rothwell) (Lab): I shall try not to go on too long, Mr. Hancock, or to lower the tone in any way after two powerful contributions to this important debate.

I wanted to intervene earlier about the London love affair. I notice that the hon. Member for Solihull (Lorely Burt) is not here now—[Hon. Members: "Croydon."]—I mean the hon. Member for Croydon, Central (Mr. Pelling). It is not too difficult for me, being from the north, to mix those places up. We should not confuse London, the great metropolis, with the City of London. It is the neo-liberal policies that we have unfortunately fallen into the trap of following so enthusiastically that have done so much damage, as my hon. Friend the Member for Elmet (Colin Burgon) made clear.

I said that I did not want to lower the tone too much, and I do not think it is lowering the tone to refer to Leeds city council under its present management. Coincidentally, it is meeting this afternoon, and I thought I would avail myself of the agenda, to see what issues it is pondering at this important time. I am sure that as usual the Leeds Members will receive a letter from the chief executive informing us of the resolutions that bring us back into line. Some important issues are being discussed, and one of them relates to £7 billion of public expenditure in Leeds, of which £2.6 billion is spent by the city council, and the rest by the health service, the universities and the whole range of services. A motion calls for more democracy in the control of those moneys. That is probably a fair call. We could

indeed make a start on more democracy by having the largest party on the council taking control of it. That would be a good step away from its present problematic leadership. People in the business community have told me that the Tweedledee-Tweedledum leadership arrangement in Leeds does the city no good at all.

Another motion congratulates the Leeds Labour MPs, quite correctly, on their support for the Leeds Arena. We all welcome the fact that nearly £10 million has been approved for expenditure on that. It will boost the city and is long overdue.

My hon. Friend the Member for Elmet has already referred to the green economy; I am being totally non-partisan in my approach to that matter, because the motion that most attracts my attention has been put forward by a member from a different, minority party on the council, and it calls for it to accelerate the rate at which the city cuts its carbon dioxide emissions. Leeds as a whole now emits about 6 million tonnes of carbon a year, and the motion calls for a 10 per cent. annual cut in that. That would be an enormous stimulus to the economy of Leeds. I hope we shall receive a letter from Leeds city council telling us that that is the policy approach we should adopt.

Cutting CO_2 emissions always seems a great burden, but in fact it is a great generator of jobs, and Leeds is well placed to capitalise on that. Even if, as we have heard, our manufacturing sector has diminished over the years, it still employs about 40,000 people—10 per cent. of the work force. Many of those people are in engineering. We have already heard about the hoped-for boom in offshore wind in the North sea, off the Humber, and I am sure there will be other marine technologies. That is where the RDA can step in and make a big difference. We need those turbines to be manufactured in the UK, but so far all the press coverage of that great bonanza suggests that many of the jobs will go to Germany and Denmark.

John Battle: As well as the wind farms, Leeds is also developing some excellence in what are called the geo-biosciences; we might call them the clean-up technologies, for waste management and so on. There is potential there for future new green jobs in Leeds.

Colin Challen: I agree. We tend to think of climate change in terms of renewable energy, but there are many other potential solutions and other things that can improve our energy efficiency. The university of Leeds is one of the country's leading research and development universities, and earns £113 million a year in research grants. Sadly, however, because of the cuts agenda that we seem to be facing, it could lose, even on the existing estimate of proposed cuts, up to 8 per cent. of its work force—nearly 700 jobs. That will be a big blow to the university's prestige and its ability to deliver economic drivers. The university has a marvellous record of setting up new entrepreneurial, inventive businesses that are right up to speed with the new technologies. I hope we can look again at the range of proposed cuts and say that we do not need them. What we need is investment, because it will produce longer-term growth and higher tax revenues. That, and not cutting the public sector, is the way to get out of recession.

I referred in an intervention to the role of the RDA. It does a good job, but could do a lot better. It fully accepts the green agenda, and tried hard to ensure that Yorkshire would benefit from the carbon capture and storage competition. I think that work will continue and there will be work on CCS in Yorkshire. The whole point about Leeds as a city region, and the green economy, is that the Aire valley, which is also known as "power alley", stretching into Selby, produces about 25 per cent. of the UK's electricity generation: the green economy is an enormous opportunity and an enormous threat to the area. If we are to lose technologies because of European directives on emissions, and because manufacturing jobs go to Germany and Denmark, we could lose jobs in the old fossil fuel economy and not get the new jobs in the green economy. I urge the Minister to take that seriously. It is a big opportunity and I hope that we can review RDA strategies to ensure that they fully deliver for the area.

Unemployment in my constituency of Morley and Rothwell is still less than in 1997. By and large, it is a bit different in other constituencies. It may be similar to the rate in Pudsey. Across the city, however, unemployment has fallen dramatically since 1997. I was looking at the figures yesterday and I see that in some constituencies unemployment has dropped by many thousands. In my constituency, the reduction since 1997 is only about 4.7 per cent. One way to reverse that is by going for green-collar jobs.

I shall mention three local companies. Ravenheat, a long-established company that makes central heating equipment and so on, is looking at making efficiencies. Integrated Technological Systems Ltd installs things such as solar photovoltaic roof tiles across Europe, and not only in the locality. InfraNOMIC Energy Solutions, another innovative company, is developing low-cost energy-efficient radiators that can be used in all-electric homes. That covers a significant segment of the housing market for the fuel-poor.

Those are small local companies; the largest employs only 20 or 30 people. However, they are the building blocks for the new economy. The green economy is reckoned to be worth £106 billion in the United Kingdom, and about £3 trillion in the world. That is where we should be headed. We would like to see more incentives for new technologies and new sources of employment.

10.21 am

Mr. Paul Truswell (Pudsey) (Lab): I congratulate my constituency neighbour, my right hon. Friend the Member for Leeds, West (John Battle), on securing this debate.

To a great extent, I shall follow what was said by my great friend, my hon. Friend the Member for Elmet (Colin Burgon). The pair of us sometimes feel as though we have been consigned to the Jurassic Park wing of new Labour—*[Interruption]*—and perhaps my hon. Friend the Member for Morley and Rothwell (Colin Challen).

When my right hon. Friend secured this debate, I looked at the answers to some of the parliamentary questions that he had tabled. I realise that by its very nature, this is a wide-ranging debate, but I shall focus on a statistic in one of those answers to which reference has already been made. It is that 43,000 people in Leeds are employed in manufacturing. It sounds like a large number; indeed it is. However, for a city such as Leeds, with a proud manufacturing tradition—as was mentioned by my right hon. Friend and others, it includes tailoring, textiles, light and heavy engineering, and printing and

[Mr. Paul Truswell]

pottery; a whole raft of manufacturing trades—it is an indictment of the untrammelled market forces and neo-liberal economics that have gripped the UK, sometimes by the throat, over the past 30 years.

I may be genetically programmed to support manufacturing and to recoil at such statistics. In one way or another, the whole of my family have been employed in manufacturing. My father worked in a dirty little foundry as a moulder and core-maker. When I visited it as a child, the place seemed like something from Dante's "Inferno". I do not look back on that through rose-tinted spectacles.

We hardly need rehearse at length how global recessions in the early 1980s and 1990s, compounded by Tory slash-and-burn policies, dramatically undermined our manufacturing base. One of the worst problems was the self-induced disaster of the early 1980s, inspired by the tragic and dogmatic monetarist experiment when Margaret Thatcher was seduced by the siren calls of von Hayek and Milton Friedman. It is often said, I think rightly, that between them they did more damage to the British manufacturing base than the Luftwaffe.

It was not only bloated and inefficient industries and companies that were destroyed by that failed monetarist experiment. Many fell victim to the triple pincer of high exchange rates, which made exports prohibitively expensive, high interest rates that made investment extremely difficult, and cuts in public spending that effectively destroyed demand in the economy. The Tories removed not only the fat, but the vital organs—and even the soul—of manufacturing industries.

To my mind, it was refreshing that the Labour party in Government was able until recently to point out the callous economic crime that had been perpetrated against our communities. From the lessons learned, the party was able to justify the reflationary package rightly embraced by the Government. As a result, many of us, including my hon. Friend the Member for Elmet, got the wind in our sails and were able to go out and sell it to our electors.

Why should we now be changing tack? Is it because the vacuum left by the reduction of our manufacturing industry has, as we have been told, been filled by the financial services sector, which has its own set of rules and imperatives to which we now feel obliged to genuflect? I hope that that is not the case.

I do not decry other sectors, but I wish to concentrate on manufacturing for a moment. My hon. Friends the Members for Elmet and for Morley and Rothwell cannot be caricatured as languishing in the past by harking back. My constituency still shows the vital relevance of manufacturing. I shall mention a handful of companies. Each, in its own way, is a UK, if not world, leader. There are others, but time prevents me from mentioning more.

ATB Morley, which was visited on Monday by my right hon. Friend the Member for Leeds, West, was established in 1897. It produces sparkless motors for use underground in various mining industries across the world. It is a world leader. Last year, the company was given the Queen's award for international trade.

A. W. Hainsworth, which was founded in 1783 and is one of the few textile companies remaining in my constituency, is still in the hands of the same family. It manufactures specialist fabrics, including flame-resistant fabric for firefighters' uniforms and baize for billiard tables; it weaves the cloth for the Woolsack—part of the furnishings in the other place; and its uniforms graced the field at Waterloo. Its most recent innovation is the wool coffin. Some have made the pun about "resting in fleece". The wool coffin has been embraced by the funeral industry, not only in the UK but across the world.

Airedale International is the largest UK manufacturer of chillers and computer room equipment in the UK. It may not be the cheapest, but because of its durability, it provides value-for-money kit—something that the Government ought to take into account in their procurement policy. We should focus not only on the bottom line but on the value for money that we could often get from UK manufactured equipment.

Those firms, the majority of them with long histories, do not want special treatment or featherbedding. However, it is not sufficient to pat them on the head and congratulate them on their resilience and innovation. My right hon. Friend was right to point out that they need the Government and their agencies not only to ride to their assistance in difficult times but to identify their value and to provide them with the support and expertise that they need to continue to prosper in difficult circumstances and beyond. For example, we should ensure that they can benefit from events such as the 2012 Olympics.

As my hon. Friend the Member for Morley and Rothwell rightly said, we need to assist those industries to expand in order to meet the green agenda. Several of those companies have started to meet that agenda and have the capacity to do even more. However, we need to remove some of the bureaucratic obstacles that they have to surmount. For example, Leeds and Bradford Boiler Company is the exclusive manufacturing partner for a new process called resomation, a more environmentally friendly alternative to cremation. That is my second mention of death and burial. Perhaps I have an obsession with them. It was Benjamin Franklin who said:

"In this world nothing can be said to be certain, except death and taxes."

Obviously, the death part provides some commercial opportunities. Leeds and Bradford Boiler Company has been waiting 18 months for the Ministry of Justice to approve the process for use in the UK.

As my right hon. Friend rightly said, we need to provide support through training and skills, to assist manufacturing industry to get away from the greasy rag image and to promote manufacturing to young people who have left school or university.

I am aware of the time, so I will conclude by saying that I hope that my right hon. Friend the Minister can give us an assurance that manufacturing industry will not play second, third or fourth fiddle to other sectors, such as the financial sector, and that it will remain at the forefront of public thinking when it comes to the development of our local economies.

10.31 am

Greg Mulholland (Leeds, North-West) (LD): I apologise for not being here at the start of the debate. I let the right hon. Member for Leeds, West (John Battle) know that I had to attend a Select Committee.

I congratulate the right hon. Gentleman on securing the debate and bringing us together. In his many years as an MP, he has spoken out for Leeds and shown that

he is proud—as we all are—both of the city and its achievements. The development of Leeds' economy has been a real success story over the past 15 years. It has become a leading financial centre as well as a real driving force in the communications, marketing and advertising industry. Moreover, the online economy is now hugely important to Leeds. Despite the real and serious concerns that have been outlined by some hon. Members, we still have a strong manufacturing industry; it is the third largest in the country. None the less, there have been problems, which have been well documented.

We are also very proud of our sporting success. I am delighted to be the MP for Headingley where the current super league champions Leeds Rhinos play, as well as the premier league team Leeds Carnegie. I will be at Elland road to watch Leeds Rhinos hopefully win back the world cup challenge against Melbourne Storm on 28 January, so we could have world champions in the city again. I am sure that every single citizen of Leeds thoroughly enjoyed the battle of the Uniteds recently, which saw Leeds overturn their slightly more famous neighbours. Hopefully, that will point the way for Leeds United to return to the premier league where they so clearly belong—possibly in the season after next.

Of the five parliamentary colleagues present today from Leeds, I am the only one who will be standing at the next election. So, this is a snapshot of what the eight Leeds area MPs have achieved and championed over the course of this Parliament. It is important for the eight Leeds MPs—whoever they are—to work together. We will have some disagreements and differences, but that is democracy. None the less, despite the comments of the hon. Member for Morley and Rothwell (Colin Challen), we have shown that we can work together when we need to, and work with the Government, the council and the business community.

I have to mention the Leeds Arena. Notwithstanding the many comments that I have made both inside and outside the House, the Minister will be pleased to know that I am delighted that the project is now going ahead. I tabled an early-day motion, which I hope she has noticed, that said well done for allowing the project to go ahead. It is worth mentioning that Yorkshire Forward showed great leadership as a regional development agency, that Leeds city council consistently pushed the case for the development, and that the city's newspaper the *Yorkshire Evening Post* led an excellent campaign entitled "Leeds needs an Arena".

John Battle: That will get him in it.

Greg Mulholland: As the right hon. Gentleman knows, that is not a problem I have very often.

Let me remind Members why it was so important to go ahead with the development and provide the funding. The Arena will provide an estimated £28 million a year extra to the local economy as well as allowing us to have the kind of acts, bands and performances that we currently cannot have. It will really fill a gap and give us something else world class in the city to match the many other things that we have.

The hon. Member for Elmet (Colin Burgon) mentioned the contribution of our universities. I represent many of the students who live in our city, as well as the staff. The Headingley campus of the Leeds Metropolitan university is within my constituency. It is extremely important to highlight the enormous contribution that our universities make, and to stress the huge concern that exists over the proposed staff cuts, particularly at Leeds university. That issue must be considered carefully if we are not to damage the institution, its reputation and the excellent way in which it is able to deliver its courses and teaching.

Although it is undeniably true that the universities bring a lot to the economy, we must be aware of the impact that a very large transient population has on any one area, particularly Headingley and Hyde Park, which I share with the right hon. Member for Leeds, West. May I nudge the Minister to speak to her colleagues in the Department for Communities and Local Government about the use class order consultation on houses in multiple occupation, because that was supposed to have reported already? Again, many of us—including councillors, the business community, the local community and residents associations—see that as very important, because it gives local councils the power to influence the balance in communities, which is what all of us want.

I am afraid that there is a moan. The Minister would be very surprised if there was not one from me. I must return to the issue of transport. Every time I speak to people from the business community, both inside and outside Leeds, they say, "Leeds is wonderful. It's a great place and I want to be based there." The problem is, however, that public transport is inadequate. We still have an unacceptable transport gap. We did not get our supertram in 2005, which we should have done. Will the Minister ensure that we get the funding for New Generation Transport, because things have gone ominously quiet? We want to hear that we will get the funding and can go ahead with the scheme. We also need better funding for Leeds Bradford airport, which is in my constituency. We need to expand that because we cannot get a train anywhere near the airport.

I will leave my comments there. Thank you, Mr. Hancock, for allowing me to speak. I wish my four parliamentary colleagues well in whatever they do. Whoever the eight MPs are for the Leeds area, I hope they will continue to stand up for our wonderful city and area.

10.38 am

Lorely Burt (Solihull) (LD): I congratulate the right hon. Member for Leeds, West (John Battle) on securing this debate and on regaling us with the fascinating history of Leeds and its proud tradition of commerce and manufacturing. He talked about textiles and engineering. However, I must correct him on an historical point. The west midlands was the birthplace of industrialisation. Let me tell the hon. Member for Morley and Rothwell (Colin Challen) that Solihull is nowhere near Surrey; it is nothing like Surrey. The west midlands has a proud industrial heritage and it has a lot in common with Leeds. Leeds is rightly proud of its diversity and industrial heritage.

I agree about the comment by the Mayor of London that investment in London will stimulate Leeds and Manchester. Leeds contributes to the UK, not the other way around. It is important that we are all linked up. On that point, a number of hon. Members have mentioned rail, including high-speed rail, which is hugely important. The first stage will run up to Birmingham, but proper, fast connections are also important to the north-east, the north-west and Scotland, as is linking those connections to the continent. We are stronger linked up.

[Lorely Burt]

The right hon. Member for Leeds, West said that Leeds has a diverse and permanently changing economic base. When economic challenges change, the economy of Leeds responds. He discussed a move to the service sector, but we need to grow our manufacturing base. I agree totally with the hon. Member for Pudsey (Mr. Truswell), who emphasised the relevance of manufacturing today. Metal-bashing, as he described it, is no longer, but innovation is hugely important to this country. I am sorry to hear about the postponement of the £65 million science park, which was to include bio-incubators and a creativity centre, because I believe that high added value is the way forward. We in this country are so clever, but we sometimes do not give ourselves credit for how well we perform.

On working together, a number of hon. Members mentioned the city region, which involves 11 Yorkshire councils working together and receiving in reward devolved powers from Government to manage infrastructure and economic situations and make their collective local economy work. The hon. Member for Morley and Rothwell thinks that Yorkshire Forward could do better. This is an opportunity. Why cannot the councils comprising the city region take the lead? They could make decisions and delegate to Yorkshire Forward. Surely the democratically elected representatives should be the ones to make decisions and exercise democratic leadership.

The right hon. Member for Leeds, West discussed investment, especially in local skills training and apprenticeships, bio and nanotechnologies and environmental technologies. My hon. Friend the Member for Leeds, North-West (Greg Mulholland) mentioned computer technologies, as well as sports entrepreneurialism, which is also extremely welcome in the area.

Industry creates the wealth to bring us out of recession. If we do not invest in industry, we will be in recession for a long time. I share the concerns expressed by hon. Members that the suggested Conservative cuts could set us back years. The hon. Member for Elmet (Colin Burgon) said that the market will not deliver for Leeds city and that it needs a lot of intervention. To echo my hon. Friend the Member for Leeds, North-West, a balance must be struck. Markets generate wealth, but that wealth must be put to good use to create quality of life for people in Leeds and throughout the United Kingdom.

10.44 am

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am grateful to have caught your eye, Mr. Hancock. I feel that I need a little more than five minutes to defend the Conservative record against the combined onslaught of the Liberal and Labour parties. Be that as it may, I congratulate the right hon. Member for Leeds, West (John Battle) on securing this debate. My speech contains a little testimony: he is standing down at the next election, and I congratulate him on having served his constituency assiduously and often vocally. What I did not know until this debate is that his four Labour colleagues from Leeds are also standing down. I wish them all well in future.

I must chide hon. Members slightly. It is interesting how a cabal of new Labour MPs will adopt the old Labour tactic of rewriting Conservative history from more than quarter of a century ago. My only association with Leeds was when I spent a few weeks as a candidate's minder in the Leeds, Central by-election. We were never likely to win, so I spent plenty of time during those weeks getting to know Leeds.

What I saw was a city centre that had been absolutely transformed by Conservative policies under Michael Heseltine and the urban regeneration corporations, like the centres of Glasgow and Liverpool, Manchester Hulme and the London docklands. I could go on. The combination of Leeds city council, the private sector and the urban regeneration corporation transformed the city centre. The hon. Member for Elmet (Colin Burgon) said that the city centre was smoke-filled before it was transformed by Conservatives in the 1980s.

However, let us move on, in the spirit of unanimity. What we have got out of this debate—the next Government, whoever [illegible], should pay attention to this—is that, if Leeds is to thrive as one of our major metropolitan centres and go from strength to strength in the future, two things are urgently needed: improved transport infrastructure, and improved skills to meet an ever-changing and more sophisticated world and export this country's goods to the rest of the world.

As many hon. Members have said, Leeds is the second largest metropolitan district in England. It is the UK's third largest manufacturing centre, with 1,800 companies employing almost 40,000 people. What I did not know until I researched this debate is that Leeds is the largest hub for financial services outside London. It would do well to publicise that fact. When I challenged somebody in the financial industry who should have known better, they thought that Edinburgh was the second largest. Perhaps Leeds has some work to do on that.

As has been said, Leeds has a thriving media, communications, advertising and online sector, which is growing at about 10 per cent. a year. The right hon. Member for Leeds, West quoted the Centre for Cities, which has highlighted how challenging recovering from this Government's recession will be for cities across the UK—

Colin Burgon: Will the hon. Gentleman give way on that point?

Mr. Clifton-Brown: No. I am not going to give way to anybody, because I have only five minutes.

The Centre for Cities report states that there is a clear disparity between the cities that will find recovery easier and the others, based on a multitude of factors. The report highlights that our major cities will play a vital role in helping us to recover from the recession. I would have thought that new Labour Members would agree. The report says:

"Major cities in particular have the potential to reinforce their position, and generate jobs and growth as the global economy recovers."

That is what we all want. Leeds is clearly a major city, as the report states. It notes that Leeds, Birmingham, London, Liverpool and Manchester have 36 per cent. of the entire population of the UK but 39 per cent. of the jobs.

If we accept the importance of Leeds to the UK economy, it is vital to establish first how badly the

recession has hit Leeds and, secondly, how Leeds can respond in future. The right hon. Member for Leeds, West has assiduously asked a raft of parliamentary questions, but I must highlight one answer in particular, from the Economic Secretary to the Treasury:

"The Government recognise that the global economic downturn has affected all regions within the UK."

Well, that is earth-shattering; we knew that already. She went on to say:

"Yorkshire Forward, as the regional development agency in the region, has taken forward a number of initiatives to provide assistance to families and businesses in these difficult times."—[*Official Report*, 20 October 2009; Vol. 127, c. 1411W.]

Even Sir Humphrey would be proud of that answer.

I am glad to say that the Minister who is here today has provided the right hon. Member for Leeds, West with many answers more constructive than that one. However, in one of her answers, on recognising Leeds's importance to the economy and the strength of its financial sector, she seems proud to note that the effects of the recession in terms of loss to the sector

"could be around £820 million".—[*Official Report*, 12 January 2010; Vol. 22, c. 944W.]

Her pride seems to stem from the fact that the figure is approximately half that estimated in a Deloitte study in 2009. I am not sure whether that will provide comfort for the estimated 1,200 to 1,400 people in Leeds who have lost their jobs. As I suggested earlier, although the financial sector is important to Leeds, it is not the only important sector. The city has one of the most—if not the most—diverse economies in the UK.

The number of liquidations at the moment is worrying. There were 26,978 voluntary corporate liquidations between the second quarter of 2008 and the third quarter of 2009. The Minister should consider carefully that 241,000 businesses in the UK are on the Government's tax deferred scheme. At some point, that tax must be repaid and that will put more businesses in jeopardy.

My time is almost up, so I turn to the importance of Leeds to the future. The Centre for Cities report that I quoted makes it clear that Leeds has a clear role in the UK's future. Last March, a Leeds city council policy briefing note showed that during the last decade, manufacturing employment declined by 20 per cent. The socialist Members present are rewriting history. [*Interruption.*] As one of the socialist Members said, manufacturing actually started to decline under the Labour Administration of the 1970s. There has also been a big decline in manufacturing over the last 12 years under this socialist Government. [*Interruption.*] An incoming Conservative Government will be internationalist in their outlook; they will provide the infrastructure that Leeds needs; they will provide the skills that this Government have failed to provide; and they will give the people of Leeds a better future than this old-fashioned, tired Labour Government have managed to provide.

10.51 am

The Minister for Regional Economic Development and Co-ordination (Ms Rosie Winterton): I congratulate my right hon. Friend the Member for Leeds, West (John Battle) on securing this debate. It got very lively towards the end, and the contribution of the hon. Member for Cotswold (Mr. Clifton-Brown) has cheered up the Leeds contingent considerably.

Caroline Flint (Don Valley) (Lab): Is my right hon. Friend aware that this Government have delivered four of the pledges of Keir Hardie, the founding member of the Labour party? We have delivered the national minimum wage, devolution rights, House of Lords reform and rights for trade unions. The only one of his pledges we have not managed to fulfil is banning alcohol.

Ms Winterton: My right hon. Friend makes an important point that highlights the interventionist approach of this Government, who have come into their own during the recent difficult economic times.

I agree with my right hon. Friend the Member for Leeds, West, and other hon. Friends that Leeds makes a huge contribution to the UK economy. Through the regional strategies and the establishment of regional development agencies, the Government have set out the fact that we need a balanced economy that harnesses the industrial potential and competitiveness of every region. The country's economy cannot rely on London and the south-east. There must be a balanced economy and we must have a proper regional strategy to deliver that. That is why we set up regional development agencies. We recognised the need for Governments to intervene at regional level to target investment, strengthen enterprise and support job creation. That approach has worked. An independent study showed that for every pound invested by Yorkshire Forward, there was a return of £4.50.

That approach is one reason why the Leeds area has been able to diversify in the way that my hon. Friends have described. In many senses, traditional industries have given way to knowledge-led enterprises that are based on innovation, entrepreneurship and international competitiveness. Between 1998 and 2008, Leeds accounted for 51,800 of the 185,000 net jobs created in Yorkshire and the Humber. As my hon. Friends have said, it is now the largest centre outside London, not just for the financial sector, but for a number of sectors, including printing and construction.

Of course, the global recession had a huge effect on Yorkshire. The Government approach, which was rejected by the Opposition, has been to intervene during this period and to continue investing in the public sector. Many hon. Friends have described our investment in health and education. We have increased the number of people who work in the public sector. During the downturn, we have given specific help. Yorkshire Forward has carried out about 11,500 financial health checks for businesses. It has invested in the manufacturing advisory service and in local enterprise growth initiative funding to help manufacturing, which many hon. Friends mentioned, as well as other companies.

Looking to the future, we must consider what can be done in new technologies, which were mentioned by my hon. Friends the Members for Morley and Rothwell (Colin Challen), and for Elmet (Colin Burgon). Under the growth strategy that has been published, we are considering what we can do to assist each region in promoting new technologies, such as low-carbon and green technologies. We must do that in Yorkshire and the Humber.

Hon. Friends have mentioned carbon capture and wind farms. There are huge opportunities in our region to exploit such technologies. We have the €180 million investment for carbon capture. I visited the ATB Morley

[Ms Rosie Winterton]

factory in Pudsey that my hon. Friend the Member for Pudsey (Mr. Truswell) mentioned. It makes manufacturing equipment for mining. If we harness carbon-capture and green technologies, we can increase our manufacturing base. That could also address the problem raised by my hon. Friend the Member for Elmet of how we can cater for lower, as well as higher, skills in developing such technology.

There is the future jobs fund and the January guarantee for those not in education, employment or training. Those initiatives are about intervention not only at national level, but at regional and local levels. Many future jobs fund jobs come from local councils. Such intervention was aptly described by my hon. Friends, many of whom have been involved in council work. They know the importance of councils being on people's side, and of having support regionally and nationally.

The hon. Members for Leeds, North-West (Greg Mulholland), and for Solihull (Lorely Burt), and many of my hon. Friends, mentioned the importance of transport links. I have had a number of meetings with the Secretary of State for Transport and others to impress on them the importance of high-speed rail links to our region. My Labour colleagues have been pressing for those links. There has been more investment in commuter links. I am sure we all want more, but we should not underestimate the additional investment that there has been.

Many hon. Friends mentioned the relationship between universities and industry. Lord Mandelson called recently for RDAs and universities to work together to show how industry can be supported through a joint approach. Our region is lucky to have universities that work closely together, and that understand the importance of working with industry to consider how they can establish the knowledge economy and ensure that they are providing the skills and knowledge that industry needs to thrive. I am talking about a strategic approach. We should not abolish RDAs, as the Conservatives and Liberal Democrats have said they would do on a number of occasions.

Finally, my right hon. Friend the Member for Leeds, West, mentioned the golden triangle in the Leeds area. If we had followed the advice of the Conservative party in the past, and were to follow it in the future, we would see not a golden triangle for jobs, investment and growth, but a Bermuda triangle.

Mr. Mike Hancock (in the Chair): I thank hon. Members for their contributions. I am sure that we all know a lot more about Leeds than we did. I echo the sentiments of those who spoke about hon. Members who are not seeking re-election, and I also wish them well for the future. I thank the Minister for her courtesy, and ask those who are leaving to do so speedily and quietly. We now move on to the next debate.

Rossington Inland Port

11 am

Caroline Flint (Don Valley) (Lab): I am pleased to have been given the opportunity to discuss the importance of the Rossington inland port for the areas of Rossington, my constituency, Doncaster, and Yorkshire and Humberside. I am pleased that my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) is here, as well as my right hon. Friend the Member for Doncaster, Central (Ms Winterton), who are supporting me in my endeavours to get a move on with the decisions that will help to make that inland port successful.

A planning application for Rossington inland port was approved by Doncaster council's planning committee in November 2009. The application is a departure from the development plan and as such has been referred to the Minister, who is awaiting advice from the Government Office for Yorkshire and the Humber about whether it should be called in. I do not want the Minister to comment on the merits of the application, but I would like his assurance about the process.

The Rossington inland port is a major rail freight interchange and, according to the council's assessment, it is capable of delivering more than 3,000 jobs—that figure is more if we accept the developer's forecast. Given the times in which we live—we rightly celebrate 100 jobs being created in local communities—we should take the prospect of 3,000 jobs with good heart and help to make the project happen. All statutory objectors either support the application or have no objections. The principal objectors are the Campaign to Protect Rural England and four parish councils. Only two letters of objection were received from the public. Other objectors supported the Yorkshire Wildlife Trust, which withdrew its objections after discussions with the developers about nearby wetland land management. However, the Government Office for Yorkshire and the Humber has stated that issues with the Highways Agency need to be resolved before a decision is made on whether to call in the application.

Apart from the green belt—although I do not underestimate that issue—the proposal is in line with national, regional and local policies. As such, I believe, as do my hon. Friends and many others, that exceptional circumstances have to be demonstrated, and are being demonstrated. The development should therefore be supported. The applicant has looked for alternative sites in the region and found that the Rossington site is the best. That assessment has been independently reviewed on behalf of the planning authority and has been found to be robust.

The local planning authority has taken the view that there are exceptional circumstances, because of the regeneration potential in the area; that the impacts on the green belt are acceptable and that there are no alternative sites on which the development can be located. In the past week, an important report has looked at the cities and important towns of our country, and Doncaster and Barnsley have been cited as places where not enough progress has been made. I acknowledge that that is the case. A great deal has been achieved in the past 10 years or so, but there is more to be done to ensure that those communities, which relied on mining for generations, have a future in which the numbers of private sector jobs are equal to those in the public sector. This is an opportunity that I believe can benefit both towns.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Communities such as Rossington and Denaby in my right hon. Friend's constituency and Mexborough in my constituency were totally devastated by the previous Government's pit closure programmes in the 1980s and 1990s. That proved Doncaster's economy was over-reliant on the coal industry. How important is this flagship project in allowing towns such as Doncaster further to diversify their economy, so that we are not over-dependent on any one issue and we can have a sustainable future and economic growth in Doncaster?

Caroline Flint: My hon. Friend makes an important point. The project is essential to the future of communities that have relied on traditional industries, such as coal mining. Having said that, we hope to make a contribution to clean coal technology in future with the technology that is available today.

It is crucial to consider how the north of England can contribute to our strategy across the country as a whole. We have had many debates in the House about the opportunities that there are—or have not been—in the north of England. Given that the inland port would be a strategic rail-freight interchange that a number of Government reports have said is essential to the development of transport around the country and to the supply companies that would supply the freight to go on to the stock and the rails, I cannot think of anything more exciting than getting this inland port under way as the next step in Doncaster's future. That is what I want to press upon the Minister today.

The council is, as we are, keen to progress the matter, and a permission could be issued by 1 March 2010. I very much hope that that will not be delayed by an unnecessary public inquiry. The only unresolved issues relate to the Highways Agency and I believe, as does the council, that those can be satisfactorily resolved locally between the Highways Agency, Doncaster metropolitan borough council and the developer, without resorting to a public inquiry.

Doncaster council has been in regular dialogue with the Highways Agency and the developer's consultant since the pre-planning application stage discussions. The purpose of those discussions was to work towards reaching a resolution acceptable to all parties on issues pertaining to the strategic road network. Notwithstanding that, the Highways Agency has said that it has no "in principle" objection to the proposed inland port and that it has full confidence that outstanding issues will be resolved based on its consultation response to the application.

Work is being undertaken by all parties to resolve the remaining three issues: acceptance of the travel plan, agreement by all parties of the detail for the proposed signalisation scheme of M18 junction 3, and the upgrade of the westbound merge layout at junction 3 to accommodate the development traffic. I know that the Highways Agency is keen to consider traffic flows, as is the Department for Transport, but sometimes we are in danger of losing out on the strategic impact of proposals by not allowing them to move faster. That results in a huge cost for local authorities and the developers as the clock keeps ticking and time is wasted.

It should also be noted that the scheme developers will contribute to the upgrading of the M18, so we have a win-win situation, and delay can only cost more for everyone concerned. I was therefore surprised to see a letter from the Government Office for Yorkshire and the Humber—I have very good relations with the office and I know that it tries to do things in everyone's best interests—stating that the decision on call-in was in abeyance, possibly for three more months, while the Highways Agency undertook modelling work in relation to the M18. The letter I received from Felicity Everiss stated that the decision is

"currently being held in abeyance. Doncaster MBC are aware of this. This is because, in our view, there are some substantial highway issues still to be addressed, which whilst unresolved would mean any decision now by the Secretary of State on whether or not to intervene, would not be based on the full facts raised by the application. The Highways Agency is currently working with Doncaster's Planning Department and the applicant to address these concerns and will let us know the outcome in due course. We anticipate that this will be within three months."

I say to my hon. Friend the Minister that that is an unnecessary and costly delay.

As I have said, the project is crucial to regeneration in this part of Yorkshire, particularly south Yorkshire, and would regenerate a former coal mining community. The site of the inland port is in a dip that lies alongside the disused Rossington colliery. As I have said, it is estimated that the proposal will deliver between 3,000 and 5,000 jobs. I would have expressed joy at the creation of 100 jobs, but we are talking about thousands of jobs. The development is directly accessible from a former mining community, where high levels of deprivation still exist—including employment deprivation—and where alternative prospects are limited unless we get the right development to sustain those communities.

The proposal would contribute to the early implementation stages of the Finningley and Rossington regeneration route scheme, which is a proposed strategic transport scheme that improves accessibility to new job opportunities and contributes to the development of land. The proposal would support the development of a more competitive city region by improving the links between key components in transport infrastructure such as rail freight distribution, Robin Hood airport, the motorway network and the regeneration areas of south Yorkshire and Sheffield city region.

The proposal would also contribute to reducing 5.5 million lorry miles a year on motorway networks and 425,000 tonnes of CO_2 a year. The concept of rail freight interchanges, including those set out in the proposal, is supported by Network Rail. In a letter to Doncaster council on 16 March as part of the consultation on the inland port planning application, Network Rail identified Doncaster as a

"rail hub with good connections to all principal areas of the UK."

The concept is also complementary to Network Rail's Control Period 4 investment programme, which includes the upgrade of the Peterborough-Lincoln-Doncaster line to enable it to be used for efficient freight rail.

The proposal also supports the policy of the Department for Transport on strategic rail freight interchanges, particularly the need to establish major rail freight interchanges across the country. It is absolutely clear that the inland port would fit into the transport vision described in the Government's own document on the future planning of transport, "Delivering a Sustainable Transport Strategy", which was published in 2007. The

[Caroline Flint]

executive summary of the subsequent document, "Delivering a Sustainable Transport Strategy: The Logistics Perspective", which was published in December 2008, sets out the fact that central to the Department's goal is the need to

"support national economic competitiveness and growth by delivering reliable and efficient transport networks."

The proposals will result in a private sector investment of approximately £300 million in a regeneration priority area, as identified in the Yorkshire and Humber regional spatial strategy. That investment will support, as one part of the jigsaw, our economic recovery during and after the recession and our future competitiveness.

The proposal would contribute to the intermodal logistics sector in Doncaster, which was also identified in the Yorkshire and Humber regional spatial strategy as a priority sector for Doncaster due to our excellent position on the strategic transport network, our position near the Hull ports and, of course, work force availability. It should also be noted that the proposed development would include 22,000 square metres of green roofs, mainly on ancillary buildings, rather than warehousing; 158 hectares of woodland and agricultural land to accommodate a project to mitigate environmental impacts, including the replacement of ecological features and wetlands and indigenous tree and hedge planting; and funds to support and co-ordinate important training and employment schemes in the local community.

I hope that I have given enough ammunition for my hon. Friend the Minister and the Department to ensure that an early decision can be made. I hope that there will be an early decision not to call it in, based on the submissions that have been made and the points my hon. Friend the Member for Barnsley, East and Mexborough and I have made today, and on an understanding that the matters concerning the Highways Agency can be left to the local authority to resolve in partnership with the agency.

I do not believe that a public inquiry would serve any purpose, other than to delay a project that is good for Rossington, Doncaster and Yorkshire and the Humber. Realistically, we are in a period of speculation about the general election and we all know that in such circumstances there can occasionally be a tendency for Departments to slow down. I hope that that will not be the case and that my hon. Friend the Minister will put his foot is on the accelerator to ensure that schemes that will help us out of the recession and build a better future can proceed without further delay. My hon. Friends and I would be happy to meet him, or any of his ministerial colleagues, to discuss any more details if that would be helpful in getting the matter resolved.

11.13 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Shahid Malik): It has been a while, Mr. Hancock, but it is a pleasure to serve once again under your stewardship. I congratulate my right hon. Friend the Member for Don Valley (Caroline Flint) on securing the debate. I know that the issue is important to her, her constituents and those living in the local area. I am also aware of her correspondence with the regional director of the Government office for Yorkshire and the Humber on the development. I am in an unusual situation today—or perhaps not so unusual—as my right hon. Friend is probably better qualified to respond to the debate than I am, so I will continue with that at the back of my mind.

I will start by providing some background information on the proposed development of an inland port at Rossington in Doncaster. A planning application has been made for a new strategic rail-freight interchange called Doncaster inland port. The developers have assembled a 397-hectare site on land west of Rossington, and both north and south of junction 3 of the M18 at Doncaster. As my right hon. Friend stated, the development site would occupy approximately 171 hectares, with the balance being used for landscape, wildlife and flood alleviation.

More specifically, the proposal includes 562,000 square metres of rail-linked warehousing, with an intermodal rail-freight terminal designed to handle national and international consumer freight. A new access road from junction 3 of the M18 is proposed, partially constructing phase 1 of the Finningley and Rossington regeneration route scheme. The site is expected to generate around 5,500 jobs and to attract around £250 million of private-sector investment. As my right hon. Friend stated, given the challenges of the global economic downturn, the creation of any number of jobs, be it 10 or 100, is to be applauded. Given that we are speaking about so many jobs, she is right to say that the Government must take on board the strategic impact of the development on the economy in south Yorkshire. Improvements to the landscape and flood alleviation measures will be undertaken.

I am aware that the proposal is somewhat controversial locally, with objections being raised about the suitability of the site for such a development. My right hon. Friend has put that in perspective by talking about the numbers, the objectors and how some of those concerned no longer object to the development.

Caroline Flint: Is my hon. Friend aware that not one Doncaster councillor, from any party, objected to the scheme, and not one Doncaster councillor voted against it? In fact, as I said in my speech, the Yorkshire Wildlife Trust, which did object and had valid reasons for doing so, removed its objection after successful negotiation.

Mr. Malik: I fully accept that the number of objectors is quite limited, and that it has diminished since the proposal process began.

It might be helpful if I commented on some of the relevant national policy issues raised by the application, some of which my right hon. Friend alluded to. The Government support the transfer of freight from road to rail where it is practical and economically and environmentally sustainable. We recognise that a consistent and effective framework is needed to support the competitive and efficient operation of the UK logistics industry. We also recognise that both private and public investment and consistent planning decisions will be needed to support the strategic development of freight infrastructure.

On the issue of support for longer-term freight growth by rail, rail can deliver goods quickly and reliably to where they are needed and help reduce both congestion on our roads and carbon emissions. For longer-term freight growth and further modal shift to occur, rail needs to be able to compete effectively with heavy goods

vehicles on the roads. Rail freight has become a vital driver of UK economic growth: it moves coal for electricity generation and aggregates for construction; it makes just-in-time deliveries for the manufacturing sector; and it takes an increasing share of the domestic retail and supermarket supply chain.

Rail freight produces five times less CO_2 emissions per tonne carried than road freight, and up to 15 times less noxious emissions. A container train can remove 50 HGVs from our roads. Emissions from HGV traffic have grown significantly since 1990—by 25 to 30 per cent., using the revised assessment from the Department for Environment, Food and Rural Affairs. HGV traffic is a significant source of greenhouse emissions from transport; it is second only to cars and vans, and international aviation.

A network of strategic rail-freight interchanges is a key element in aiding the transfer of freight from road to rail and in supporting future rail-freight growth. Interchanges of all types will be required to support that, but the Government believe that there is a particular market need for a network of strategic rail-freight interchanges—for large new interchanges with intermodal capacity and rail-connected warehousing—to support the development of rail in the general freight market.

Yorkshire and the Humber is a growth area for the logistics, supply chain and distribution industries. It has good transport links, land and labour availability—including in the political sense. Clusters of activity are already developing in south Yorkshire and parts of the East Riding of Yorkshire. On modal choice and sustainable distribution more generally, we believe that it is important for all modes of transport to be able to compete on equal terms, so that customers can make an informed choice.

Since road transport is currently not required to pay its full external costs, we provide targeted assistance for the use of rail, inland waterways and coastal or short-sea shipping to enable those modes to compete on a level playing field. We also continue to provide our capital support scheme—the freight facilities grant programme—which helps to offset the capital cost of providing rail and water freight-handling facilities.

That said, there are some markets for which mode shift is not appropriate, and for a large number of logistics movements, road haulage remains the only practicable option. We seek to reduce the impact of road freight transport by promoting more efficient freight operations, chiefly through best practice and driver training schemes. However, each planning application must be considered on its own facts and merits.

Let me turn to the role of the Secretary of State for Communities and Local Government. It is important to recognise, as my right hon. Friend does, that in considering the application, the Secretary of State would not be responsible for determining the detailed merits of the proposal. The decision is rather whether, under the Government's call-in policy, the application should be called in for determination by the Secretary of State, or whether it should be left to Doncaster council to take the final decision. It is clear from listening to my right hon. Friend and my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) that their preference is for the latter.

As my right hon. and hon. Friends may be aware, the kinds of cases that might be called in include those that, in the opinion of the Secretary of State, may conflict with national policies on important matters; have significant effects beyond their immediate locality; give rise to substantial regional or national controversy; raise significant architectural and urban design issues; or involve the interests of national security or foreign Governments. Our general approach is not to interfere—I restate, not to interfere—with the jurisdiction of local planning authorities unless it is absolutely necessary to do so. Parliament has entrusted them with responsibility for day-to-day planning control in their areas, and it is right that, in general, they should be free to carry out their duties responsibly and with the minimum of interference.

However, there will be occasions when it may be considered necessary to call in a planning application and have the Secretary of State determine the matter, instead of leaving the decision to the local planning authority. Our policy is to be selective about calling in applications. In general, we will take that step only if the planning issues are of more than local importance. It is worth bearing it in mind that only 0.01 per cent. of all planning applications are called in. Between 2006 and 2008, the number of cases called in fell by more than two thirds, and the numbers are still falling.

It is clear, as my right hon. Friend the Member for Don Valley suggests, that a decision to call in adds significantly to the costs for all parties involved, and adds significant delay to the process. That is why we are keen to use the power selectively, especially in the current economic climate. She was absolutely right to stress that point. Looking forward, my Department has committed to leading a review of the call-in process, with the aim of achieving significant time savings. The review will report in early March. Obviously, that information is not directly relevant, but I hope that it will be useful.

The current application was formally received by the Government office for Yorkshire and the Humber on 1 December, following referral by Doncaster metropolitan borough council under the terms of the Town and Country Planning (Development Plans and Consultation) (Departures) Directions 1999. The application was referred because the proposals would be a departure from the provisions of the Doncaster unitary development plan, as the application site falls within the green belt.

On 3 December, the Highways Agency formally requested the Government office not to proceed to consider the application until such time as the motorway impact issues had been resolved. It was anticipated that that could take up to—I stress, up to—three months. Obviously, it could take much less time, notwithstanding where we are. The Government office's view was that there were some substantial highway issues still to be addressed, which, while unresolved, would mean that any decision taken now by the Secretary of State on whether to intervene would not be based on the full facts raised by the application.

Consequently, on 10 December, the Government office wrote to Doncaster council and the applicant to notify them that the scheme would be put in abeyance while the transport assessment work was finalised. We will monitor developments with the Highways Agency.

Caroline Flint: I hear what my hon. Friend is saying, but my understanding is that, on the ground, the Highways Agency and the local authority are working closely on resolving the issues. I would welcome a meeting with

[Caroline Flint]

the relevant official or Minister, if that is possible, because I still do not understand why, in principle, the matter cannot be resolved and the Government cannot decide whether to call in the application. I listened to the list of reasons that my hon. Friend gave for calling in, and I do not think that "none of the above" applies as a reason.

Mr. Malik: Let me say to my right hon. Friend and to my hon. Friend the Member for Barnsley, East and Mexborough, that I am more than happy to meet for a discussion on the issue. My right hon. Friend has powerfully articulated her concerns, which are absolutely genuine, and I am sure that they are shared by her constituents and people in the sub-region, and in the region more widely. I am certainly happy to meet her so that we can speak with relevant officials. She also spoke about ensuring that the foot is on the accelerator. We would not want unnecessarily to slow down something that is so strategically important, not just to her constituency but, potentially, to the whole of the region and beyond.

The Government office is keeping in regular contact, and we will review the position in March at the latest, at which time the Highways Agency suggests that the assessment work will be completed and agreed. Once progress has been made on the highways issue, a submission will be sent to Ministers with a recommendation on whether the scheme is one in which the Secretary of State should intervene.

My right hon. Friend will appreciate that it would not be appropriate to comment in any way on the scheme at this stage. To do so could jeopardise and prejudice the Secretary of State's decision on the referred application. However, I can assure her that he will carefully consider all the matters raised by the inland port application, including relevant policy issues, and that a conclusion will be reached on the balance of interests. He will also take into account my right hon. Friend's views as expressed in this debate, in correspondence and in the possible future meeting that we have discussed. Having considered all of that, he will then decide whether intervention would be justified.

I understand that my right hon. Friend and my hon. Friend are keen for the Secretary of State to reach a decision as quickly as possible on whether to call in the application for his own determination. In that respect, this debate has demonstrated that my right hon. Friend is a great advocate for her constituents and, indeed, the constituents of others in and around the area. I shall ensure that officials submit the case to the Secretary of State as soon as possible, and I certainly would expect that to be within three weeks of the Highways Agency's notification of agreement.

I am happy to meet my right hon. Friend the Member for Don Valley and my hon. Friend the Member for Barnsley, East and Mexborough. I have taken on board everything that they have said this morning, and will do all that is within my power to ensure that the matter is fast-tracked, so that they can have a decision about whether the application ought to be called in, without commenting on the merits of the application itself—

Mr. Mike Hancock (in the Chair): Order. We have to adjourn until 2.30 pm. I thank Members for their co-operation and for the debate.

11.30 am

Sitting suspended.

UK Human Trafficking Centre

[MR. NIGEL EVANS *IN THE CHAIR*]

2.30 pm

Mr. Anthony Steen (Totnes) (Con): I am grateful to you, Mr. Evans, for ensuring that we have a full hour and a half for this important debate. As this may be my last opportunity to speak about human trafficking before I leave Parliament, I thought it appropriate to assess the state of modern-day slavery in the United Kingdom, the effect of the absorption of the UK Human Trafficking Centre into the Serious Organised Crime Agency, and the need for a national human trafficking watchdog.

First, I pay tribute to the officers of the all-party group. I have been greatly supported by the three vice-Chairmen: the right hon. Member for Birmingham, Ladywood (Clare Short), Baroness Butler-Sloss, and the shadow Deputy Leader of the House, my hon. Friend the Member for North-West Cambridgeshire (Mr. Vara). My hon. Friend the Member for Wellingborough (Mr. Bone), who is in the Chamber today, has played an invaluable part in the overall strategy, and I thank him for that. I also thank the shadow Secretary of State for Business, Innovation and Skills, my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), and the shadow Secretary of State for Children, Schools and Families, my hon. Friend the Member for Surrey Heath (Michael Gove), for their kind comments.

It would be remiss of me not to mention the many Ministers who have paid tribute to my fight against modern-day slavery, including the Solicitor-General; the Secretary of State for Culture, Media and Sport; the Under-Secretary of State for the Home Department, the hon. Member for Tynemouth (Mr. Campbell); the Minister for the Cabinet Office; the Under-Secretary of State for Health; the Under-Secretary of State for Scotland; the Minister of State, Department of Health, the hon. Member for Lincoln (Gillian Merron), who has responsibility for public health; the Minister for Children, Young People and Families; the Foreign Secretary; and the hon. Member for Nottingham, South (Alan Simpson). I must not forget the sterling work of the Chairman of the Select Committee on Home Affairs, the right hon. Member for Leicester, East (Keith Vaz).

Everyone wants statistics. They give people a sense of bearing, as from a compass, and they feel happier when they have something against which to judge where they are. The problem is that statistics on human trafficking are difficult to come by. By their very nature, they are unreliable and problematic to read. The Home Affairs Committee's report in May 2009 stated that there are an estimated 5,000 victims in the UK, and according to the Ministry of Justice website, Home Office research estimates the total social and economic cost of trafficking in the UK at about £1 billion in 2003.

Statistics from police Operation Pentameter 2 identified 169 victims of human trafficking, 13 of whom were children; 406 suspects were arrested and 67 were charged with trafficking in human beings; 15 people were then convicted of trafficking, some with related offences; 822 premises were visited; 6,400 police intelligence reports were gathered; more than £500,000 in cash was recovered from the criminals who were arrested, and court orders placed restraining orders on criminal assets running into several millions of pounds.

The Home Office has stated that approximately 360 children are trafficked into and within the UK each year. ECPAT UK—End Child Prostitution, Child Pornography and the Trafficking of Children for Sexual Purposes—co-ordinates a coalition working for the protection of children's rights, including Anti-Slavery International, Jubilee Campaign, the National Society for the Prevention of Cruelty to Children, Save the Children UK, The Children's Society, UNICEF, and World Vision UK. ECPAT, which services our all-party group, and does so very well, estimates that 60 per cent. of children rescued from traffickers later go missing from local authority care.

Between March 2003 and April 2009, the POPPY Project in London, which provides shelter to trafficked women, received 1,233 referrals of women over 18 who were acknowledged to have been trafficked. The Home Affairs Committee's report last year stated that at least 100,000 people are trafficked into and around the EU each year. There are rumours of boys moving from Russia through Latvia, Lithuania and Estonia as sex slaves, but there are no numbers. In a high security prison in Bucharest, which I recently visited, one man admitted driving a transit van weekly across the Pyrenees transporting trafficked women from Romania into Spain. He would not give me any numbers, but he did that for several years. There is a combination of anecdotal and statistical evidence, and it is not surprising that Nick Davies recently questioned the scale of human trafficking in the UK in a challenging article in *The Guardian*. The statistics are spasmodic, unreliable and unproven. Unfortunately, modern-day slavery is not tidy, visible or neatly packaged, and it is not surprising that Mr Davies's article unleashed an outburst from non-governmental organisations, sex workers, former trafficked victims, women's rights workers, officials, MPs, and so on. Everyone weighed in to complain about his views.

By its very nature, modern-day slavery is hidden. Much of it is underground, most of it goes undetected, and much of it is orchestrated by sophisticated criminal gangs whose footwork is much faster than the lumbering steps of the law. The House must not underestimate victims' very real fear of coming forward—and anyway, how do they do so? If they are sex workers, they are prisoners; if they are forced labour, they are working covertly to get rid of debt; if they are domestic slaves, they usually have their passports taken away; if they are child victims, they are usually used as Fagins by their parents or distant relatives to carry out street crime.

I pay tribute to the hon. Member for Gedling (Mr. Coaker), a former Home Office Minister, for pushing forward the agenda, largely single-handedly, including persuading the Prime Minister to sign and ratify the Council of Europe convention on action against trafficking in human beings, and for the creation of action plans involving 11 Departments. I am pleased to see the Under-Secretary of State for the Home Department, the hon. Member for Tynemouth, in his place and about to give a powerful answer to some of my points. The Home Office has always been the lead Department in such matters, but I am sure that hon. Members will be interested to know that the Scottish Executive, the Department for International Development, the Foreign and Commonwealth Office, the Ministry of Justice, the Attorney-General's Office, The Department for Environment, Food and Rural Affairs, the Department

[Mr. Anthony Steen]

of Health, the Department for Children, Schools and Families, the Department for Communities and Local Government, and the Department for Culture, Media and Sport are all involved in trying to tackling this difficult problem.

It is important to acknowledge the Government's financial commitments. The Ministry of Justice and the Home Office awarded £3.7 million to the POPPY Project over two years, and funding for the human trafficking centre has almost doubled from £834,000 in 2007-08 to £1.7 million in £2008-9, and £1.6 million in 2009-10. However, despite those initiatives, the signing of conventions, and the involvement of 11 Departments, the problem remains as opaque as ever. Some people say that it is getting worse. Modern-day slavery will continue while people in undeveloped countries are forced to feed the appetites of populations in developed countries.

We are witnessing a worldwide phenomenon. The largest number of children trafficked into the UK are from China and Vietnam. Many of the women trafficked into sexual slavery fly via the Netherlands from west Africa. An increasing number of victims trafficked into Spain come from south America. The French suffer from human trafficking, but do not like to admit it. Moroccans and Tunisians are viewed as illegal immigrants, rather than as people who are trafficked. As pilfering and violence become epidemic, and as the rule of law collapses in Haiti following the terrible national disaster, child trafficking will quickly emerge as children are left abandoned or orphaned, and predators move in. What is the state of play in this country?

Mr. Peter Bone (Wellingborough) (Con): My hon. Friend is making a powerful speech on this issue, as usual. On his last point, does he really fear that the children who are orphaned in Haiti will end up being trafficked? What can be done about that?

Mr. Steen: I was hoping to ask a question about that in the House this morning, but unfortunately we did not get that far. There is no doubt that during events such as tsunamis and earthquakes, children are separated from their families and parents, and sadly there will be many orphans in Haiti. It is a very poor country—one of the poorest in the world—and I cannot see that traffickers, who are predators, will fail to come forward and take children away, either from children's homes, or by deploying distant relatives who will say that they are going to care for them, but those children will never be heard of again. I wanted to ask the Prime Minister a question this morning about what is being done to alert international aid agencies to that prospect. There is no evidence for it yet, but it is inevitable, and the question is how it can be prevented, and on what scale it will take place. I am grateful to my hon. Friend for his intervention.

I was coming on to look at the situation in this country. Until the summer of 2008, it seemed that the Government were keeping up the pressure. However—and this has nothing to do with the Minister—I have a feeling that once the Council of Europe convention was ratified and implemented, that impetus might have been lost. Perhaps we need a new impetus from the Government in the dying embers of this Parliament.

A good example is the implementation of the national referral mechanism in April 2009. In the first six months ending in September 2009, 347 people were referred as suspected victims of trafficking. There are 180 Government officials who have been specially trained as assessors. Dividing 347 by 180, we are entitled to ask what each of those officials are doing for the rest of the time when they are not looking into their two referrals. Those 180 Government officials are referred to as "competent authorities" and are tasked with the job of deciding whether any of the victims referred to them have been trafficked. I do not understand why we need 180 officials—that number could probably be cut by two thirds. Who trained them? What were they trained for, and are they the right people to do that job?

There is a bigger question about the relevance of recognising someone as a victim of trafficking, and about the authority of the competent authority. Even if an individual is recognised as trafficked, the Ministry of Justice, through the Director of Public Prosecutions, can still pursue criminal cases against them. The pattern is well established, with the Crown Prosecution Service totally ignoring, and treating as irrelevant, the decision of the competent authorities employed by the UK Border Agency and, by implication, denying the existence or legality of the Council of Europe convention.

Let us take the case of V, a Vietnamese boy who was assessed as aged 17 but who was 15 when he arrived in Britain. He was given a positive, conclusive-grounds decision in which the competent authorities identified him as a victim of trafficking. In spite of that, he was given a 45-day reflection period, as required by the Council of Europe convention, but once he had served that 45-day delay, he was sentenced. The fact that he had been subject to a decision by the competent authority, which stated that he had been trafficked, was completely irrelevant. The Crown Prosecution Service charged him with cannabis cultivation, and he was convicted at Huntingdon Crown court in August 2009.

There are many such cases; I have a number of them. I have raised the issue with the Solicitor-General and with the Director of Public Prosecutions. If somebody has been trafficked and described as such by the competent authority set up by the Government, how can they possibly be prosecuted and sentenced? The competent authority's statement that a person has been trafficked becomes an irrelevancy, because it does not have any meaning. The question then is: does it have any meaning for the Solicitor-General or the courts?

Such cases make a joke of the 45-day reflection period. What is the point of recognising individuals as victims under the national referral mechanism if criminal cases are then pursued against those same people? What is the significance of the Government signing the Council of Europe convention, if children and young people found to have been trafficked—whether Roma children or Chinese boys—are left with no emotional, psychological or practical support to help them navigate the administrative and legal nightmare of human trafficking legislation? It goes totally against the words and spirit of the convention. Not only is the national referral mechanism being side-stepped by the law, the principles in the convention of supporting, helping and advising children are being totally ignored.

The Government state that their goal is to make the UK a hostile environment for human traffickers, but they have made it a totally hostile environment for the

victims. Domestic workers who come to the UK on diplomatic visas to work for diplomats are not able to change employers without losing their immigration status. That makes them particularly vulnerable to abuse because they have no escape route from such a situation.

Kalayaan is a London-based, well-run non-governmental organisation that supports migrant domestic workers. It reports that it refers 6.9 per cent. of the diplomatic domestic workers it encounters to the UK Human Trafficking Centre as victims of trafficking. That is compared with 0.1 per cent. of domestic workers in private households. That dramatic difference is an obvious cause for concern, and I led a delegation to the Minister for Borders and Immigration (Mr. Woolas) on 24 November last year. All the heavyweights on the issue of human trafficking were there, and the Minister buckled under the arguments. He could see no reason why the diplomatic visa should be changed so that those who were imprisoned or abused by officials in foreign embassies or delegations could escape. As it is, they cannot escape. If they do escape, they have no passport and are sent home where they came from. These people come from embassies and they are terrified about their future and the future of their families.

I would like to mention other cases, but some victim support organisations are reluctant to release information. It is hard to raise the problem with credibility when one does not have the details. Of course we want to protect the privacy of victims, but we can do that and share information at the same time. There are increasingly difficult problems in getting even the vaguest information from some of the organisations that are specifically funded by the Government to look after victims of trafficking. Will the Minister consider whether he could provide some guidance to those organisations and suggest that acting like a guard at Fort Knox, preventing anyone from getting in, or meeting, listening to or speaking to any of the victims, is not a good way to encourage an open and transparent society?

I have a case from one such organisation, the POPPY project. It could not give me the name, or details of the courts or the police, which was not very helpful; none the less, I will relate some of the information. This case took place last November, when a referral was made to UK Human Trafficking Centre regarding 21-year-old Chloe—apparently she was 21, although I do not know whether her name was actually Chloe.

Chloe had approached the central London Sapphire unit—a police unit—having been violently raped that night. Although she did not say that she had been trafficked, it became known that her "boyfriend" had links to the sex industry. She described owing a debt of £20,000 to the people who brought her to the UK—it is clearly a case of trafficking—which she had to pay off by working in restaurants. She claimed to be very afraid of those people and appeared highly traumatised.

The police officer at the Sapphire unit picked up on the indicators and tried to access support for Chloe. They put her in emergency accommodation for that night, but were unable to accommodate or support her after that. Chloe suggested that she would be able to stay with a "friend", but it was known that the friend was involved in managing a brothel. When the police officer called the UK Human Trafficking Centre to make the referral, she was informed that as Chloe had been out of her exploitative situation for some time, she was not eligible to enter the national referral mechanism—one can see the bureaucracy that has built up.

The concerns are first about the UKHTC, which has been severely criticised in relation to the NRM and the many non-governmental agencies using it. That seems to be one of its weaknesses. The UKHTC, which has three staff—as opposed to the 178 or 177 in the UK Border Agency—should have recognised Chloe as an extremely vulnerable individual with immediate support needs. She had approached the police and was seeking assistance regarding the criminal justice system, support, accommodation and identification. That was last November. The date on which she escaped her exploitative situation should have had no bearing on her potential status as a victim of trafficking, and the rights and support to which she would be entitled.

Chloe clearly described several indicators of trafficking for labour exploitation, which were passed on to the UKHTC. In addition, the Sapphire officer noted several other indicators suggesting that she may also have been sexually exploited. As a potential victim of trafficking, Chloe should, at this stage, have been housed and supported appropriately, and then informed about the NRM. The significant point is that the UKHTC's refusal to refer her to the NRM effectively denied her the opportunity to access any support. As the Minister will know, the UK Border Agency deals with women from outside the EU, but it will also deal with women from inside it. Chloe probably came from an EU country, but because she was denied an NRM referral, she could not get any other support. I have a number of such cases.

What happened in this case reflects a lack of concern for the safety of the individual. The victim should be accommodated in a place of safety, and an NRM referral should then be made, if appropriate. In this case the woman was close to being returned to someone who was known to have connections with the brothel management. I would like to be more specific, and I am sorry that I cannot be, but the problems I face prevent me from saying more. However, I think that the principle is well established.

Having raised the issue of domestic slavery and the problem that one Department did not follow law under the convention even though another Department was involved, I want to come to local authorities. Local authorities referred 57 children to the national referral mechanism last year. What happened to them? I do not know whether the Government or anybody else knows where they have gone, but I do not. Have they been assessed by the competent authorities? Who has been responsible for their welfare? Has section 55 of the Borders, Citizenship and Immigration Act 2009, which places a duty on the UK Border Agency to safeguard the welfare of children, made any difference? Does the Minister have any information about how section 55 is changing the conduct of the UK Border Agency? Should it change it? Does the Minister have any statistics? They are one thing we probably do not have.

I am deeply troubled that, for some reason, Britain cannot look after its own children, let alone vulnerable children from overseas. In fact, our track record on losing children in care has put us near the top of the league, and it is not the sort of league that a developed country such as Britain should even be in, let alone lead. There is a lot of shame there, which we should acknowledge and do something about.

[Mr. Steen]

We know that it is impossible to find foster parents for foreign children who speak no English. We need a national campaign to find foreign language-speaking residents who are willing to foster. At the moment, the best that we can do for trafficked children is to place them in local authority child care homes, but that does not mean very much given that many of them, sadly, experience understaffing, which results in many hundreds of children escaping. Such children are not in care at all, because the homes are like an open hotel—often not a very good hotel—that they can leave whenever they like.

For that reason, I am convinced that it would make sense for every trafficked child to have a guardian ad litem appointed from the moment that they are acknowledged to be a trafficked child. Such a guardian would ensure their safety, as well as ensuring that they are not abused by the legal or administrative systems and that someone keeps an eye on their welfare. Guardians ad litem work well in Britain, their track record is good and their results are impressive. Why not use a tried-and-tested system, rather than trying to invent a new one?

If we really mean what we say and want to implement the Council of Europe convention effectively—with a bias towards victim protection—rather than create a culture of deportation, we need fewer "competent authority" officials, with different training and a different approach. Child care workers would be far preferable to UK Border Agency officials. It is therefore important that we get the national referral mechanism right and then ensure that the guardians ad litem are in place to take over.

Inevitably, a victim's first encounter with the police or border officials will affect his future outlook. Our failure to change the culture of deportation and disbelief in turn explains why our record of prosecutions and convictions of traffickers is less successful than that of countries such as Holland, Italy and Austria, where the public authorities are known to be on the side of the victims, and where victims understand that the authorities are there to help them. It is worth mentioning that the most recent uncovering, by the Austrians, of a multi-country human trafficking ring took place only because all the victims were willing to give evidence. That was an impressive outcome.

By contrast, there have been worrying reports that UK officials are not on the side of victims at all. In one case, the competent authority identified a woman—I will call her P—from India as a trafficking victim as part of Operation Tolerance Pilot, which ran from May to December 2008. The UKHTC then informed the POPPY project that the decision was void because it had not been taken under the new national referral mechanism, and that it wanted to put her through the process again. That was despite the fact that the original decision had been issued by a Government agency. From what I have said, the Minister will understand both the appalling bureaucracy, rules and regulations and officialdom that have built up as a result of our signing the convention against human trafficking and the attitude of UK Border Agency staff.

What is to become of the UKHTC? The 35-strong, south Yorkshire-based staff will be merged into the 4,000-strong, Home Office-run Serious Organised Crime Agency, and its specific tasks will be diluted, if not washed away. The principle of establishing a multi-agency organisation, which would act as a central repository for all information on human trafficking and offer strategic and operational support and a 24/7 support line for advice, including on the care of victims, deserved a chance. I certainly supported the establishment of the UKHTC in Sheffield three years ago. The idea that the centre would conduct research, develop training, share best practices and develop an improved knowledge and understanding of the way in which criminal enterprises associated with human trafficking operate was perhaps somewhat over-ambitious, but its important task of co-ordinating statutory bodies, such as local authorities, the UK Border Agency and police, reflected sound thinking.

Following the centre's absorption into SOCA, however, any suggestion that it can achieve any of those objectives must be seriously questioned, and the possibility of its being independent has been shattered for ever. It will be neither independent, nor able to deliver the goods; it will be lost in a huge organisation of 4,000 staff. The Government like things bigger and centralised, which is perhaps why the UKHTC is being absorbed into SOCA and why the human trafficking team in the Met will be absorbed by the much larger clubs and vice unit. However, big does not mean better. As Schumacher said, "Small is beautiful", and I know that myself from the Schumacher college in Dartington in my constituency, which is very small and very good.

How successful has the UKHTC been? It is just over three years old. On the plus side, it is a one-stop shop for statutory agencies, local authorities, the police and the UK Border Agency. In that respect, it has proved valuable, but it has been less successful in achieving its other objectives. Nor has it been able to provide real help to the voluntary sector—it has just not had the resources. Some argue that it would be better if the Government spent £1.6 million a year funding non-governmental organisations with a proven track record in dealing with human trafficking.

The time has arrived for the UKHTC to concentrate on what it does best: co-ordinating the statutory services. For the rest, we must make better use of the voluntary sector and establish a national human trafficking watchdog—some European countries would call it a national rapporteur, but we, being English, call it a watchdog. The concept of a national watchdog goes back to the 1997 Hague declaration, which was the first international document to recommend that EU member states establish a national reporting mechanism. In this country, we report to a watchdog, but people in other European countries report to a rapporteur.

The modern-day slavery watchdog would act as a central repository for all information on human trafficking. It would be charged with collecting facts, figures and statistics, monitoring weaknesses, speaking up for NGOs, ensuring the adequacy of victim accommodation, checking that the guardian ad litem system was working properly and the like. It would contribute to a better knowledge and understanding of the root causes of trafficking, the modus operandi of traffickers and their criminal networks, and the different forms of exploitation. Indeed, a more complete picture of the extent of the crime is precisely what we need. That would increase our knowledge and facilitate our work against this phenomenon, and we could more effectively identify victims of trafficking

and provide appropriate support to them. A watchdog would be part of the solution, and it should be based in the Home Office, although independent of it. Its task would be to see that Government agencies deliver on outlawing human trafficking.

The police have recently recovered 15 victims of human trafficking in Northern Ireland, but we have no idea of where they fit in or of the scale of trafficking in Northern Ireland, Wales and Scotland, although local authorities in Scotland recently referred six children to the national referral mechanism.

The UK Human Trafficking Centre will be completely absorbed into SOCA, which is exempt from freedom of information registration because it handles security issues. I do not know whether my hon. Friend the Member for Ashford (Damian Green) knows that; it is a quite interesting point about SOCA—one cannot get any information out of it. What are the implications of that for reporting to Parliament?

If it is impossible for SOCA to report to Parliament, there is even more reason for us to establish an independent role for a national watchdog. The watchdog would report annually to Parliament and make recommendations on the development of national policies and action plans, without itself being a policy making agency. For example, what could be done to improve the situation regarding the confiscation of traffickers' assets that have been transferred overseas?

My private Member's Bill, the Anti-Slavery Day Bill, is to have its Second Reading on 5 February. I want to introduce a national anti-slavery day to reinforce the focus and the understanding of the general public. Such a day would continue to draw attention to the evils of human trafficking post-Wilberforce, and to how that is displaying itself in British society. An anti-slavery day would cost the taxpayer nothing, but could do a great deal of good. I hope that the Minister will say how he feels about that. I hope that all parties in Parliament will support me on 5 February and help me to get my Bill through the Commons quickly.

In summary, we need a national referral mechanism, to be administered by welfare or social workers rather than immigration officials; a guardian ad litem system for trafficked children, to support them through legal and administrative hurdles; and work permits and identity cards for victims of trafficking while they are resident in the UK, to give them the ability to work in the UK just as they do in Italy. That would encourage them to give evidence against traffickers without fear of being returned to their source country, where there would be at risk of re-trafficking. We need a national network of shelters for women and children, whatever their age, who are victims of trafficking, and a proactive and dedicated police force on human trafficking—the Pentameter initiatives were welcome and should be revived in every police force and carried out every year. We also need a national human trafficking watchdog, working with Government but independent of them; and a change in visa arrangements so that domestic workers brought into the UK to work for foreign embassy officials are free to seek other domestic work and not forced to return home. Finally, we need an annual UK national anti-slavery day, which will make sure that the crime is kept firmly on the agenda and does not get consigned to a dusty drawer.

I hope that, when I leave the House at the general election, the work in which I have been involved will continue, in both the Commons and the Lords. I hope also that I shall be able to give service to the groups from the human trafficking foundation charity I am establishing. It is deeply depressing that in spite of Wilberforce's achievements in outlawing slavery 203 years ago, modern-day slavery is a new canker in our midst, with human beings being degraded while society stands by and does little.

Several hon. Members *rose—*

Mr. Nigel Evans (in the Chair): I want the winding-up speeches to start at 3.30, and three hon. Members have said they want to participate, so if they divide the remaining time that will be useful.

3.3 pm

Fiona Mactaggart (Slough) (Lab): I shall be brief. I want to make three points. First, I echo the concerns of the hon. Member for Totnes (Mr. Steen) about the closure of the Metropolitan police trafficking unit. In my view, that unit has hugely improved the policing of the issue. It is a great pity that it is not to continue, and is to merge with the clubs and vice operation, which, in my experience, has put insufficient focus on the experience of the victims of the vice trade. I do not have any particular beef with the Serious Organised Crime Agency; it is a question of effectiveness and victimisation. If that mistaken decision is to be proceeded with, I urge the Minister to institute a mechanism to ensure that any new arrangement has that victim focus and does not end up in the sort of cosy arrangement that I have seen in the past in vice policing, in which the exploiters and the police come to a deal that stops the neighbourhood nuisance, but not the exploitation. That is a cause of serious anxiety.

Secondly, I want to urge on the Minister the need for a powerful information campaign about the legislation, which he helped to introduce in the House of Commons, making it an offence for any man or woman—any customer—to pay for the sexual services of someone who is forced to provide them. One of the most powerful effects of that legislation is that it could deter customers from such behaviour and so reduce the market for those who have been exploited, thus reducing the profits of traffickers and exploiters and the extent of exploitation. That chilling effect will not occur unless the law moves from being secret—as it largely is at present, frankly—to being publicly and widely known.

In women's lavatories there are frequently stickers on the back of the door—it is not quite the same for loo doors in the gents'—giving the local Rape Crisis telephone number, or something like that. I want every urinal to have, at eye level, something to warn chaps who are thinking of paying for sex that if they do, and do not know with absolute certainty—without any doubt in their mind—that the person who offers herself to them does so of her free will, without having been bullied into it by a pimp or trafficked, they will be committing a criminal offence and will be prosecuted. I believe that if such an approach were taken, there would be a difference to the trade. I am normally rather sceptical about Government publicity drives, but I think that the one in question could reduce crime and exploitation significantly.

[Fiona Mactaggart]

Thirdly, I want to mention the recent European Court of Human Rights decision in the case of Ms Rancheva. She had gone to Cyprus from Russia under an artiste's visa. She ended up in debt, and it seems clear to me that a people-trafficking operation was involved. She tried to leave the club that she was in, and a few days later was found dead on the pavement, after falling from a balcony. There was no criminal prosecution in connection with the events leading up to her death, but there was a prosecution under the European convention on human rights. Cyprus was found guilty of failing to protect Ms Rancheva and failing to put in place a proper framework to fight trafficking.

One issue at the heart of that seems to be that Cyprus had allowed a sex industry to flourish in a semi-public place. People who thought that they would be artistes, or performers in public clubs, were actually operating in the sex industry. It appears to me from the judgment—of course I do not know any more than is in the published press release and so on—that the margin between Ms Rancheva selling herself in prostitution and exotic dancing had been diminished, or smoothed out, to such an extent that she was in effect being prostituted. She did not want to be; she wanted to go back to Russia.

The key issue in that case is the existence and public acceptance of gross sex exploitation, at an industrial level, in which people are allowed to participate. The case of Ms Rancheva is a very strong argument for the Government to intervene in a similar activity in the UK, by which I do not mean exotic dancing, although the activity happens in the context of exotic dancing. In almost every local newspaper in the UK there is a page of advertisement for "fresh Thai girls", for example, or "new girls today". That is advertising trafficked women for men's sexual pleasure. I believe that that should be prevented. Various Ministers have sought to reach settlements with the publishers of those newspapers, so that they voluntarily stop publishing the advertisements, but guess what? They carry on, because they are a source of much profit—oh, what a surprise.

I believe that unless the UK Government take action against that type of publication, they risk, following the Rancheva judgment, being in breach of our obligations under the European convention on human rights. I urge the Minister to examine that and, if his legal advisers conclude that I am right, to introduce urgent legislation to prevent such advertising, because if these adverts run in freely available newspapers, of course people think that the work is safe and legitimate, but it is actually not. It is work that has at its heart the most grotesque exploitation.

The appalling thing about how human trafficking for sexual exploitation works is that the degradation that trafficked women experience, and their experience of the sex industry, sometimes mean that, having escaped from it into impoverishment, isolation and loneliness, they re-enter the sex industry, in a so-called voluntary way, because it is the only way they know of generating income to survive. If women do re-enter the industry, they end up with some of the problems described by the hon. Member for Totnes, in relation to their immigration status and so on.

It seems to me that there is a duty on Government to stop providing comfort to those involved in the industrial-scale exploitation of people who, because of their immigration status and gender, are vulnerable to the most appalling exploitation of their human rights. There are things that we can do, and I urge the Minister to do them.

3.11 pm

Mr. Peter Bone (Wellingborough) (Con): It is a great pleasure to serve under your chairmanship for the first time, Mr. Evans. I think that this is the first time you have chaired proceedings in Westminster Hall. If I may say so, you are doing it very well, sir.

It is also a great pleasure to follow the hon. Member for Slough (Fiona Mactaggart), who made, as usual, a number of powerful points on this extremely important issue. I like the phrase "industrial scale" because we have struggled hard to get that point across in the media. We are talking not about one or two people but about thousands of victims, and they are not just in Soho; they are throughout the United Kingdom.

I of course pay tribute to my hon. Friend the Member for Totnes (Mr. Steen) for securing this important debate, but not only for that. I also pay tribute to him for how he has continually brought the issue to the attention of Parliament through his chairmanship of the all-party group on trafficking of women and children. His leaving will be will be a great loss to Parliament but, in a strange way, the campaign against human trafficking will benefit because he will be able to spend much more time campaigning on the issue. I very much look forward to working with him if I am back here after the general election.

Keith Vaz (Leicester, East) (Lab): I join the hon. Gentleman in paying tribute to the hon. Member for Totnes (Mr. Steen). When the Select Committee on Home Affairs conducted the inquiry into human trafficking, we appointed him, even though he was not a member of the Committee, as a very special adviser because of his knowledge. May I raise one point with the hon. Member for Wellingborough (Mr. Bone) about the merging of the UK Human Trafficking Centre with SOCA? I do not know whether he has seen the Select Committee report, "The Trade in Human Beings: Human Trafficking in the UK". SOCA is quite a new organisation and therefore ill equipped to deal with this new area of policy. Does he agree that that is a very important consideration in not merging the two organisations? Let SOCA do what SOCA is supposed to do, and let us have this independent organisation of which the hon. Member for Totnes spoke.

Mr. Bone: I am grateful for the right hon. Gentleman's intervention. He chairs his Select Committee with great skill, especially by appointing my hon. Friend to it. The right hon. Gentleman makes a very important point. I have grave doubts about the merger: I think that a loss of independence and drive will occur. However, that is not what I particularly wanted to address.

Let me try to put this issue in context. My hon. Friend talked about modern slavery. It is modern slavery. Girls fly into Gatwick airport, coming from west Africa, thinking that they will become waitresses or work in a shop. They go through security. The people with them take the passports off them. They are then taken to the coffee lounge, where they are sold for £4,000 or £5,000. That is happening in our country, and it is happening

because the criminals can make so much money from their crimes. In fact, they can make more money from this crime than they can from drugs. That is why there is industrial-scale trafficking. There are a number of ways in which we have to tackle the issue.

Mr. Steen: The information that I got recently, which I thought worth sharing with the House, is that more people are trafficked in the world every year than were ever in chains in the 350 years of the African slave trade.

Mr. Bone: My hon. Friend makes a powerful point; that is extraordinary. We think back to Wilberforce's time and we think that in those days people were somehow not quite as human as us, there was not quite the level of culture and people did not understand that slavery was wrong. Hang on: more people are being trafficked today than were ever in the slave trade back then.

I shall give another example of how close to home this trade is. Across the river at St. Thomas' hospital, a member of my staff observed at the sexual health clinic a young lady escaping from a trafficker, with the trafficker chasing her down the corridor. That is the hospital across the river. Obviously, I have mentioned London and the London area, but the problem is everywhere. In Northamptonshire recently, the police broke a trafficking ring and rescued two victims.

I know that the Government have done a lot in this field and that Ministers have been very helpful. I have been writing a report on the issue for the past three years, and every time I think I have finished it, some horrible new aspect of it appears, including trafficking within the United Kingdom. However, there are one or two things that I do think could be done.

The first involves what I have learned for the first time will be called the national watchdog. There has been some disagreement between my hon. Friend and me about what that should be called. He was rather in favour, being a good European, of "rapporteur". As someone who does not quite share his views on Europe, I did not think that that could possibly be acceptable to the British people and I suggested that perhaps it should be "commissioner", but what we want is a very small unit. I have been with my hon. Friend to Holland to see the Dutch rapporteur. Their office consists of two or three people and they report each year to the Parliament on the numbers. They have a statutory duty to do that. That is a check on what the Government are doing and whether things are getting better or worse. I referred to a very small unit. This is not another Conservative cost commitment. I am sure that the money can be found within the existing framework, that the cost will be much less than the cost of what is going on at the moment and that the money will be much more effective. That is one thing the Government could do to improve the situation.

The second issue is more delicate. We have very good border controls for people coming from outside the European Union, but of course people have free movement within the European Union. We are an island, so we have certain advantages. However, what happens is that people come into this country who clearly may be trafficking people, but they are not challenged because there is a fear that we might be breaking European rules. Let me give an example. I hope that people will correct me if I have got this wrong.

I used to go to America because I had a business there, and on occasion I took with me young ladies of 16 or 17 who were trainees in the business and were going to visit our US office. On every occasion, the border agency there took those young people aside and interviewed them separately to find out whether it was a genuine visit, and that I was not trafficking them. That took half an hour. They used to take letters with them from their mothers and so on, but it was done on every occasion.

I know of an example in which a middle-aged white man brought into the country a black young lady who did not match the picture on the passport. They were not challenged. That girl was thought to have been trafficked; thankfully, she escaped. This is the sort of practical step we should try to take; it will not mean stopping everyone, but in obvious cases someone might say, "Hang on, why are those young women coming in with that man? They do not seem to be related; they do not seem to be a family." Such cases should be investigated. Those two practical things would make a huge difference.

I fully agree that all the things listed by my hon. Friend the Member for Totnes should happen. However, I have another huge concern. Those trafficked into this country who are over 18 are treated better than children who have been trafficked. Those aged 16 who are trafficked into this country, forced into prostitution and then rescued will finish up in a children's home, from where the traffickers will re-traffic them. Those over 18 will probably finish up with the POPPY project, where they will be properly looked after.

I have long argued about what needs to be done. If a 16-year-old trafficked girl is found in Bournemouth, she should be moved to Manchester—or at least put somewhere completely out of range of the traffickers. There is also a strong argument for having secure homes for people who have been trafficked—not to keep the trafficked victims in but to stop the traffickers getting at them.

3.21 pm

Mr. Denis MacShane (Rotherham) (Lab): I, too, pay tribute to the hon. Member for Totnes (Mr. Steen) and my hon. Friend the Member for Slough (Fiona Mactaggart), but I shall start with the hon. Gentleman. He made a valedictory speech, but with his customary brio he only looked forward, giving a series of marching orders to my hon. Friend the Minister. I hope he will accept some of them, particularly those about not blending the specialist units into a blancmange. We have seen the equality, race relations and disability councils being turned into an amorphous pudding that is far less than the sum of its parts. What disasters can sometimes be produced by administrative tidying up.

There are aspects of this issue that we can all cover. I am very proud that it was on this Government's watch, and particularly during the last five years, that significant steps were taken. You, Mr. Evans, as a fellow delegate to the Council of Europe, will know how we all joined together to persuade the then Prime Minister, the right hon. Tony Blair, to sign and later to ratify the convention on human trafficking. Even that will only work if real effect is given to it. Next week, the Council of Europe will debate the convention, with my right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott), the former Deputy Prime Minister, giving an opinion on it. I look forward to hearing what he has to say.

[Mr. Denis MacShane]

However, with the usual dreary penny-pinching, platitudinous approach of Whitehall, the official briefing paper for the Council of Europe delegates—you may not yet have seen it, Mr. Evans, as it arrived only today—said in effect, "Jolly good thing, but not a penny more for the experts group on action against trafficking in human beings." I most sincerely ask my hon. Friend the Minister just to find £50,000 or £100,000; if he does not want to use pounds, he could send euros. The currencies are about the same, so it will not make much difference, but we should show a token gesture of appreciation of that work.

We then come to what we can do. The speeches we have heard this afternoon are similar to those that I have heard over the last few years. We have not yet made that decisive breakthrough. Part of the problem is that there are still powerful forces in this country—I do not doubt their sincerity—who believe that there is no problem with women of almost any age above immediate post-puberty childhood selling their orifices for the sexual satisfaction of men.

The English Collective of Prostitutes makes an extremely nefarious and negative contribution to the debate. It is constantly cited on "Newsnight" or in *The Guardian* and other newspapers as some kind of expert authority on the problem. However, the collective, its supporters and spokesmen in the House and elsewhere, and those journalists who write about it, are in complete and utter denial about the extent of the problem. They fall into the trap of having a debate over statistics.

The hon. Member for Totnes made it very clear that there is no satisfactory figure. The reason for that is that we are talking about illegality; we are talking about fear; we are talking about underground problems; we are talking about trafficked girls who service men in south Yorkshire being controlled through a mobile phone by their Chinese pimp in Soho. There is no easy connection to make.

Keith Vaz: My right hon. Friend is most knowledgeable about these issues. However, are we not in danger of crossing boundaries? We are talking about human trafficking, but he wants to outlaw all prostitution. That is his position, is it not?

Mr. MacShane: My position is simple. We will stop slavery only when we stop demand for it by making it illegal. We cannot stop slavery by exhortations or books and sermons.

The Archbishop of York, Dr. John Sentamu, wrote powerfully in the *Yorkshire Post* about the problem of trafficking. I am not really in favour of men in long robes sitting in the House of Lords in the name of a faith, but he came down to London to organise a vote on a Government Bill—he wanted to unstop the undoubted blockages in the Lords. That Bill was passed into law just before Christmas; it makes it a crime—I cannot say this often enough—to have any paid-for sex not only with trafficked women but with anyone forced or coerced into offering their sexual services.

I very much agree with my hon. Friend the Member for Slough that we need more publicity. I like to stop at Leicester Forest East motorway station, near the constituency of my right hon. Friend the Member for Leicester, East (Keith Vaz), who is Chairman of the Select Committee on Home Affairs. I stop there for breakfast early in the morning when driving to Rotherham, and often after my second cup of tea I go to the loo. It would be no bad thing if, at any height, there were reminders that if I took advantage of trafficked girls—I am sure that such services are offered in Leicester, as they are in every other city in the country—I would be committing a crime. That action could be undertaken now by the police or by local authorities.

We may have dealt with kerb crawling. We recently had the extraordinary example of a premier league football manager who was caught by *The Sun* coming out of one of those wretched industrial brothels before Christmas, but his name is not recorded because his lawyers are agitated about it. I grant that it is difficult to name him. I grant that naming and shaming may not be acceptable to many. I grant that there are many problems in that field. However, until we start the process of naming and shaming, which we have started to do with kerb crawlers, we will not start reducing the demand side. I am worried, as is my hon. Friend the Member for Slough, that the Bill that was passed by the House of Lords just before Christmas may not be made operational. There is a culture of macho-ism in the police; as a result, combating this area of crime is regarded as not being as interesting or rewarding as others.

I conclude with a reference to the Anti-Trafficking Alliance. It promotes good literature, some of which is produced in Chinese. I have a copy here, but there is little point in reading into *Hansard*, as I do not understand Chinese. The alliance states:

> "If you are a man who is about to sleep with a woman working in prostitution, think twice! She may be trafficked and you could be charged with rape."

It quotes Natalia, a Russian survivor of trafficking. She said:

> "If men stopped paying for sex, if they understood and stopped there would be no trafficking, there would be no demand for girls, there would be no money in it."

I have to say to my right hon. Friend the Chairman of the Home Affairs Committee, for whom I have affection and respect, that he must speak up much more clearly on the demand side.

In an earlier debate, my hon. Friend the Member for Totnes—if I may, I will call him my hon. Friend—who has been so shabbily treated by the press in what is his last period in the House, and the hon. Member for Wellingborough disagreed with me about the demand side issue. I hope now that we are beginning to change our minds. I thoroughly endorse all the recommendations. Given that the Home Office has undergone a complete culture change in the last couple of years and has become extraordinarily courageous under the present Minister, my hon. Friend the Member for Gedling (Mr. Coaker) and previous Home Secretaries, it would be exciting if it adopted one or two of the measures and then promoted them before this Parliament comes to its end.

None the less, the root cause remains demand. As long as there is demand—as long as one premier league football manager grants himself the privilege of going to a brothel and having sex with someone who may or may not have been trafficked—we will not stop the practice. We must focus on the demand side.

3.30 pm

Tom Brake (Carshalton and Wallington) (LD): This has been an excellent debate with many well-informed contributions. Let me start by congratulating the hon. Member for Totnes (Mr. Steen) on securing the debate. It was entirely appropriate that he should use this debate—one of his last opportunities in Parliament—to raise an issue on which he has been an active and articulate advocate in the House in recent years.

Let me take the debate a little wider than the issue of the UK Human Trafficking Centre. Victims of trafficking are often viewed as possible perpetrators of immigration crime, as opposed to being, first and foremost, victims. They are unable to identify themselves as victims because of the risk of being pursued in relation to immigration matters. A number of Members, including the right hon. Member for Rotherham (Mr. MacShane), made it clear that it is difficult to get hold of accurate data on the subject, for the obvious reason that most of the problem is underground, which makes it hard to keep reliable statistics. The Home Affairs Committee's report identified that more work needed to be done by the UK Human Trafficking Centre to provide firmer information about the issue, so that all the different authorities are better placed to address the problem.

Keith Vaz: The hon. Gentleman was a member of the Committee that produced that excellent report—if we can share in the compliments. One of the points raised in that report was the concern that the Metropolitan police's human-trafficking unit was going to lose its funding from the Home Office. That poses a problem, particularly for London. Given that the Minister is here, is it not right that we should make a plea that some—if not all—of that funding should be restored?

Tom Brake: Clearly, the Minister has heard that plea on a number of occasions, and he has now heard it again. Given the difficulty in tackling and addressing the issue, and in identifying the number of victims, it seems a great pity to lose or dilute expertise, or to reduce the funding required to finance the expertise. I can see the Minister frantically scribbling away. I am sure that he is writing into his notes a commitment to providing the funding that is required, and he will shortly have the opportunity to confirm that that is the case.

Mr. Steen: Like me, the hon. Gentleman talks about statistics. The UK Human Trafficking Centre was the one place that was deputed to get statistics. It got them from local authorities and elsewhere. However, trafficking is not just about sex. Members have been talking about sex, but it is also about child trafficking, domestic slavery trafficking and debt bondage. A large number of men are involved in trafficking. The statistics were going to be brought together. The centre is only three years old, and it has gone. I know that the Minister will say that it has not gone, but in my view it will go in a few months' time. When it does, there will be no organisation in Britain deputed to get information. The very thing that we have all been requesting for years will disappear, and we will not achieve any of the things that we want to achieve.

Tom Brake: I thank the hon. Gentleman for his pertinent and topical intervention. Again, the Minister will have heard such a view before. It is up to the Minister to identify who will be responsible for collecting the information and who will address the issues that the UK Human Trafficking Centre has not yet been able to address. Those issues include multi-agency working and how it will be possible to pull in not just the police but the UK Border Agency and other organisations, so that we can work collectively on this significant human tragedy, which occurs in many of our towns and cities each day of the year. There are issues that institutions need to address. Some seek to address the issue of immigration and all its attendant problems, such as people-smuggling, rather than the special problems of trafficking.

I have very little time, so I will flag up some points to do with prevention, to which the Government should respond. The Home Affairs Committee report highlighted the fact that we have a system that conspires to allow migrants to come to the country almost with the expectation that they will not receive the minimum wage. It is almost universally understood that they will not receive it, which is an encouragement to trafficking. We often have good laws that are poorly enforced. The national minimum wage is one such example. As a number of Members have highlighted, there is not much public awareness of human trafficking for sexual purposes, child trafficking or trafficking for slave labour. I hope that the Minister will respond to the suggestion by the hon. Member for Slough (Fiona Mactaggart) that we should ensure greater public campaigning on the issue, to make people more aware of it.

I should also like to pick up on the point that the hon. Member for Slough made about our local newspapers, which feature many columns of adverts of the kind that she mentioned. I welcome the fact that the Newsquest Media Group has agreed that it will not carry such columns. I hope that those of us who get Newsquest papers will scan the columns carefully, not only for references to ourselves as Members of Parliament, but to see whether those papers do indeed no longer carry adverts of that nature.

I have one slightly more controversial point. As there have been significant differences of opinion about the laws on prostitution, it would be right to draw attention to what the police have had to say about the difficulties in enforcing the law. I am not sure whether the Minister is in a position to give us feedback today on whether those difficulties are now perceived to be less of a problem, more of a problem or still part of a very significant issue that the police will have to address. I refer to the matter of the police being able to demonstrate whether men are able to establish beyond doubt that a woman had or had not been trafficked.

I should like to carry on at much greater length, but you will not permit me, Mr. Evans. I will therefore finish by congratulating the hon. Member for Totnes on opening this debate with his characteristic knowledge and expertise. I hope that the Minister can respond to our concerns, particularly on the issues about funding, what might come after the closure of the UK Human Trafficking Centre, and how he will ensure that we can retain and effectively use our expertise.

3.39 pm

Damian Green (Ashford) (Con): It is a joy to serve under your chairmanship for the first time, Mr. Evans. Many kind things have rightly been said about my hon.

[Damian Green]

Friend the Member for Totnes (Mr. Steen). All I would add is that what he has done is an absolute model of how one can use an all-party group to shift public policy forward an inch or two. I speak as someone who is sceptical of the proliferation of all-party groups in the past few years. One's faith in the system is almost restored by what my hon. Friend and others from all parties have done.

I disagree with my hon. Friend the Member for Wellingborough (Mr. Bone), who said that when, sadly, my hon. Friend the Member for Totnes leaves the House, he will be able to devote more time and energy to the issue. I do not think that it is possible for him to devote more time and energy to it than he has done over the past few years.

Mr. Steen: You wait.

Damian Green: I hear that with some trepidation.

We all agree that human trafficking is a despicable modern slave trade; that is clearly not an issue. There might be an issue between some of us about recognising its wide nature. I appreciate the passion with which the right hon. Member for Rotherham (Mr. MacShane) and the hon. Member for Slough (Fiona Mactaggart) spoke about the prostitution-related element of slavery in particular. That is clearly a significant part of the problem, but it is not the whole problem. We need to take a view that encompasses child trafficking, domestic servitude, slave labour and debt bondage.

What is significant about the speech made by my hon. Friend the Member for Totnes is that he pointed out many of the worst failings of the current system; I am sure that the Minister will address them all directly. It was striking that he painted such a bleak picture. I have participated in other debates such as this, having worked in the field for many years now. There was a feeling among all parties that we had moved forward significantly, having signed and ratified the convention, and that Britain was in a reasonable place on the issue. However, the picture painted by my hon. Friend is much darker and more pessimistic. If he is right—we all acknowledge that he is an expert in the field—we clearly need to give serious thought to the next steps.

My hon. Friend discussed statistics. For obvious reasons, they are difficult, but we need to start from what we know. The International Organisation for Migration reports that between 700,000 and 2 million women and children are trafficked across international borders every year. We know that 60 per cent. of illegal immigrants here in the UK arrive illegally, most carried in the backs of lorries. A Government assessment published in October 2008 estimated that 360 children are trafficked into and within the UK each year. Despite those figures, we know that only 57 under-18s, out of a total of 527 referrals, were referred last year to the national referral mechanism as suspected victims of trafficking.

3.42 pm

Sitting suspended for a Division in the House.

3.54 pm

On resuming—

Damian Green: As I said, only 57 of the 527 under-18s have been referred under the national referral mechanism. In the five years to 2009, 452 people were arrested for human trafficking offences, of which only 110—less than a quarter—were convicted. I am sure that the Minister shares my concern over those figures.

I visited the UK Human Trafficking Centre in Sheffield last November and it was interesting to see its work. My conclusion is that having a central point for information on trafficking has been of great value to police forces, the Crown Prosecution Service and other agencies. UKHTC demonstrates the importance of specialisation when tackling new types of crime. An important aspect of its work was international co-operation, for example through chairing the Interpol human trafficking group.

The team at UKHTC informed me that they were having more success in prosecutions than the figures appeared to show because traffickers were being prosecuted for offences other than trafficking—the so-called Al Capone approach. The Minister is nodding enthusiastically about that. However, that gives rise to the worrying thought, identified in the Select Committee report a couple of years ago, that the CPS has problems with the drafting of current trafficking legislation. I wonder if he has anything to say about that.

As we have learned from other countries, in the run-up to the Olympics we must pay attention to the danger that more people might be trafficked here for that period, when hundreds of thousands, if not millions, of new people will be here. Perhaps the Minister would also address that point. Although I have kinder words to say about UKHTC than my hon. Friend the Member for Totnes, the work that it does must be linked to prevention work. The Conservative party has urged the Government to focus on countries of origin. We were pleased to see mention of that in the millennium goals. However, many who work in this area, in particular the very good charity, Stop the Traffik, are concerned that campaigns are being targeted in the wrong way. Instead of specific resources being allocated for anti-trafficking campaigns, Stop the Traffik argues that Department for International Development aid campaigns should incorporate messages about trafficking. At a time of restricted public spending, that would seem to be a valid method of warning those in poorer countries of the dangers. Will the Minister consider a more inclusive approach? Is he in contact with colleagues in DFID about such matters?

The Conservative party policy document on this matter concentrated on better co-ordination between state agencies, in particular on ensuring that each police force and local authority has a strategy to deal with suspected victims of trafficking. Looking back on that, we are concerned that there appear to be problems with the national referral mechanism at a local level. Better information still needs to be provided to local authorities and police forces so that they are aware of the problem, are better able to identify victims and are more confident in using the mechanism. It is having a fairly patchy effect across the country.

Mr. Steen: The problem with the national referral mechanism and the Solicitor-General's office through the Director of Public Prosecutions is evident: someone is declared to be trafficked, and then they are prosecuted and sent to prison.

Damian Green: That is a fair point. I would like to elaborate, but I will not, given the time that is available.

An area that is often ignored is trafficking for the purpose of forced labour. In 2008, the last year for which we have full figures, there were only four convictions for trafficking for the purpose of forced labour, despite the problems of organised immigration crime that we all know about. We believe that one failure in this field has been not cracking down on rogue employers. A lot more work ought to be done on that. We have heard warm words from a succession of Ministers, holding various portfolios, but so far there has not been much effective action.

I will move on to new measures that I would like to see. I am conscious that my hon. Friend the Member for Totnes produced a full, extensive and—in some areas—expensive list of desires, outlining how he would like us to move in this area. I suspect that he produced the fullest shopping list he could in the hope that some of his requests would be picked up. He and I have had discussions in private about having a watchdog—indeed, the last time we did so, he was still agonising about how he could replace the word "rapporteur" with something else. That was clearly a matter of some controversy. I am entirely relaxed about the name, because the substance is more important.

I am not entirely convinced that setting up another unit in the Home Office is the best way forward, not least because of practical considerations. For example, we all agree that we should be most concerned about the trafficking of children, but we already have children's commissioners not just for England, but for the other nations within the United Kingdom. So in that area alone, there is clearly the capacity for serious, potentially annoying and damaging overlap between those two bodies. I am not sure that a proliferation of watchdogs is necessarily the right way forward, but I accept his point that we need better information and statistics, so that policy can be more evidence based. Most of all, we need ministerial will to drive the matter forward. In the end, the organisational problems are secondary to the priority given to the subject in the Home Office.

I agree not just with my hon. Friend, but with the point made by the hon. Member for Carshalton and Wallington (Tom Brake) that part of the problem is the difficulty of multi-agency working. We agree that we need a more joined-up approach and we have published a policy proposal that details a more coherent approach, not just for policing our borders, but for protecting victims and prosecuting the offenders that includes instructing immigration officials to check the date on the return ticket of the adult accompanying minors to look for discrepancies; working with the countries of origin to help reintegrate victims; preventing re-trafficking; and educating potential victims. There should also be better law enforcement to bring more traffickers and employers of forced labour to justice, and better co-operation of national authorities within Europol and Eurojust.

Mr. Bone: My hon. Friend is making a powerful point. Will border controls also be enforced in relation to people being trafficked from the European Union, because that is where there is a gap at the moment?

Damian Green: That is where Europol is particularly important and where better use of Europol would be hugely beneficial. *[Interruption.]* I sense the discomfort of the Chair, so I will make just one more point. The most important defence we have is our borders. We want to replace ad hoc police operations with a national border police force, which would be much more effective at combating trafficking at the border. The Government's failure to tackle Britain's porous borders has resulted in a disastrous rise not just in organised immigration crime, but in trafficking. My hon. Friend the Member for Totnes has raised a huge range of subjects, and I promise him that I will think seriously about the future arrangements that he would like to see. He has made some points about the serious problems with the current arrangements, so I will sit down and let the Minister deal with those.

4.3 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): This has been a thoughtful debate, which has included contributions from my hon. Friend the Member for Slough (Fiona Mactaggart), my right hon. Friends the Members for Leicester, East (Keith Vaz)—the distinguished Chair of the Select Committee on Home Affairs—and for Rotherham (Mr. MacShane), and the hon. Members for Wellingborough (Mr. Bone), for Carshalton and Wallington (Tom Brake) and for Ashford (Damian Green).

However, no one's speech has been more authoritative and welcome than that of the hon. Member for Totnes (Mr. Steen), whom I congratulate on securing the debate and on his tireless work to keep this important issue on the political agenda, not least through his work as chair of the all-party group on the trafficking of women and children. I am pleased to hear that he will continue his efforts after this Government are returned following the general election and after I return to my post. I may regret having said that, but I look forward to working with him. It has been a pleasure to do so, and I am sure that my predecessors would concur with that.

Let me deal briefly with two important issues before I go on to deal with the substantive points made. The hon. Gentleman was right to raise his concerns regarding the terrible events in Haiti. I have already spoken to the Under-Secretary of State for International Development, my hon. Friend the Member for Worcester (Mr. Foster), who has given a commitment to raise the matter with the necessary governmental and non-governmental agencies to see what can be done. On the question of the Olympics, again, we are aware of the potential threat. However, the Metropolitan police service Olympic security team and the Home Office keep such work under review, which is supported by the UK Human Trafficking Centre.

We all agree that human trafficking is an appalling crime—people are treated as commodities and are exploited and traded for profit. I reiterate that the Government are committed to tackling the issue, to making the UK a hostile environment for trafficking and to identifying and protecting victims. I am genuinely sorry if the hon. Gentleman believes there has been a loss of momentum. I hope that is not the case. Outside the UK, I think there is a view that much of what we do can be held up as very good practice, but I take his point seriously.

[Mr. Alan Campbell]

Throughout the debate, reference has been made to the importance of victims. Of course, the UK action plan on human trafficking, which was updated in October last year, is very much based on a victim-focused strategy and on prevention, investigation, enforcement and prosecution. That action plan also focuses on providing protection for adult and child victims.

On the issue of prosecutions, which the hon. Gentleman raised, the Crown Prosecution Service makes it clear in its guidance that victims of trafficking who have been forced to commit criminal acts should not be prosecuted if those acts are a direct result of their having been trafficked. However, such issues must, of course, be dealt with on a case-by-case basis, because blanket immunity is not necessarily offered. Many of those decisions are extremely difficult to make in practice, as is dealing with the problems surrounding victim identification. The hon. Gentleman raised the issues associated with what appear to be very young people from Vietnam often being brought over here to cultivate cannabis farms. For the people involved with making such decisions, it is extremely difficult.

At the heart of the debate is the future of the UK Human Trafficking Centre, which has played a pivotal role in tackling trafficking under the leadership of DCS Nick Kinsella. The centre was set up in late 2006 and has established itself as a good example of multi-agency working, with, importantly, a range staff from Government agencies working alongside those from the non-governmental organisation sector, who play a crucial role in many of the issues raised. On the subject of numbers, it is extremely difficult to get an estimate of the number of trafficked victims. We have given a commitment to bring forward a better estimate, particularly of those who have been trafficked for sexual exploitation, and I can give a reassurance that those figures, which are being worked on as we speak, will be published very soon. However, the issue of numbers is very difficult.

On the question of statistics, the hon. Gentleman quoted the number of referrals as being 347. I want to update hon. Members by giving them the most up-to-date figure, which is 527 referrals between April and December 2009. On the issue of what appear to be relatively few convictions, the hon. Member for Ashford to some extent answered that point by saying that people who look as if they are caught up in trafficking are sometimes not charged and convicted of those offences, but of other offences, depending, of course, on where the evidence lies. UKHTC does important work with the National Policing Improvement Agency to make sure that police training is up to date. It has also worked with partners from the private sector in developing the Blue Blindfold brand, which has won a great deal of support—I believe that the hon. Member for Totnes was at the launch of that. Again, such an approach is recognised as good practice.

UKHTC also houses one of the competent authorities established as a key part of the national referral mechanism and is the central repository for all data on human trafficking. The hon. Gentleman raised his concerns during the debate on the Queen's Speech on 25 November and I wrote to him in December in, I hope, reassuring terms. However, I want to repeat the main point: we remain absolutely committed to the continued existence of UKHTC. The problem was that, when the centre was established, it had no legal status of its own and was hosted by South Yorkshire police, which is its current legal entity. When South Yorkshire police approached the Home Office, it was concerned that reliability issues were emerging as a result of having more to do and a higher profile.

We looked at where the best place for UKHTC would be in the future to guarantee its continuing to operate as it does now. We looked at a range of options and concluded that the Serious Organised Crime Agency is best placed for UKHTC, both for the centre and for our overall anti-trafficking efforts more generally. It is not a merger with SOCA and it will not lead to a dilution of the centre's focus on the victim-centred strategy on human trafficking.

A number of details on changing UKHTC's status are currently being discussed by SOCA and the centre, but I have made it absolutely clear that the Government expect that the identity of UKHTC will be preserved, along with its character and functions, which will include its strategic objectives, brand identity and multi-agency composition, and its close working with stakeholders. Dealing with organised immigration crime is an important part of SOCA's work, so there can be some benefit from changing UKHTC's status in that regard, but we expect that the unique role of the centre will continue, and we want to support and develop it. I hope that that will be stressed if and when the Home Affairs Committee visits SOCA.

On the national watchdog or rapporteur, we agree with the conclusions of the Home Affairs Committee, which stated in its recent report that a national rapporteur would not benefit data collection and that such an introduction would merely

"add yet another organisation to the multitude involved in analysing and combating trafficking".

We of course keep those matters under review, but we are satisfied that the current arrangements—

Mr. Nigel Evans (in the Chair): Order. We must move on to the next debate.

Mr. Steen: On a point of order, Mr. Evans. I thought that the Minister would have at least 10 minutes to speak, but he has only had nine.

Mr. Nigel Evans (in the Chair): I am afraid that Mr. Green's time was such that the Minister was left with nine minutes.

Mr. Edward Vaizey (Wantage) (Con): It is always the Tory's fault, Mr. Evans.

Criminal Records Bureau

4.12 pm

Mr. Edward Vaizey (Wantage) (Con): May I say how pleased I am to serve under your chairmanship for the first time, Mr. Evans, particularly as it was almost 20 years ago that I played a key role in your first attempt to win the Ribble Valley seat? Unfortunately, you were unsuccessful in that attempt, but it is undoubtedly no coincidence that, once I stopped working for you, you succeeded in becoming the Member for Ribble Valley, to which you have been an adornment for many years.

This is the first time I have sought a Westminster Hall debate on an issue of national policy, but the number of Criminal Records Bureau cases that cross my desk, both as an MP and in my capacity as my party's spokesman on culture, has led me to apply for the debate, and I am extremely grateful to have had the opportunity to do so.

Several themes run through the cases that I have come across, and I suspect that the Minister will be all too familiar with them. The first theme is the delay in getting a CRB check, which often directly affects the livelihood of the constituent involved. The second theme is the number of CRB applications someone has to make to cover the various roles that they might have that involve working with children. The third theme is the often inappropriate application of CRB checks for what I would describe as casual and informal arrangements. Finally, there is the iniquitous provision within the Police Act 1997 that allows unproven allegations to appear on a CRB file.

As the Minister knows, the CRB was established in March 2002 under part V of the 1997 Act. Under the Act, newly employed personnel may be asked to apply for one of two checks, depending on the nature of their position. Specifically, the CRB can provide information held on a police national computer, including convictions, cautions, reprimands and warnings in England and Wales. It can also provide information held by local police forces and other agencies relating to relevant non-conviction information. So a vast amount of information can be provided, the implications of which I will turn to in a moment.

I will deal first with the delays that I have come across and their impact on people's lives in my constituency. The CRB's website claims that, in 90 per cent. of cases, it takes from 10 days for a standard check to come through, to four weeks for an extended check. That is not my experience. For example, that claim is of little comfort to one of my constituents who, after successfully applying for a job last July, had to withdraw his application a few months later when his CRB check had still not materialised. Finally, after extensive waiting and some intervention from me, it arrived in November, five months later, by which time it was entirely useless. My constituent had lost his time, his money and, indeed, his job.

Another constituent of mine had been unable to return to work as the renewal of her work permit required an up-to-date CRB check. That check took another five months, during which time she was unemployed and found it very difficult to care for her children. Her employers did not know that they could apply at the time to the protection of vulnerable adults scheme, which apparently would have let her work while her CRB check came through. I gather that POVA's role may now have been superseded by the Independent Safeguarding Authority, although I will wait to hear from the Minister on that.

Incidentally, I think that it is symptomatic of the incompetence that seems to surround this entire Administration that, on the Home Office's website, the word "independent" is spelt wrongly, with an a, rather than an e. That is a change the Minister can effect immediately.

I find it utterly exasperating that there is a second Government body designed purely to cope with the delays of the first, but it is even worse to realise that that service was at the time unheard of by a company that regularly uses the CRB. Another constituent found that Thames Valley police took more than 10 weeks to complete their part of the check, because they did not have the appropriate resources and, indeed, had built up a backlog of 40,000 cases, which is an astonishing number.

What is the Minister planning to do about what I regard as completely unacceptable delays? I am sure that she will read out the statistics supplied by her officials, citing the 85 to 95 per cent. success rate that the bureau itself cites, but perhaps it might be more revealing if she stated how many hon. Members have written to her about delays in the CRB, or indeed how many people have made complaints to the CRB about delays. That would be an equally telling statistic.

The second issue that I will address is the all-too-familiar one of multiple CRB checks, in relation to which I suspect that every hon. Member has had constituents approach them in exasperation. Another constituent of mine, while trying to get a job in a difficult economic climate, rightly chose to keep his options open and applied for two jobs—one at a school and a second at a museum. Both jobs were ultimately under the aegis of Oxfordshire county council, yet two separate checks had to be applied for, each costing between £35 and £55. Those checks were both the same, were being carried out simultaneously and looked at the same things, such as his criminal history. Both checks analysed his competence to work around children and both would have been valid for exactly the same time, so I should like to ask the Minister what she is doing to minimise what are, in effect, duplicate checks.

Why cannot a CRB check be portable once it has been carried out, at least for a period of time? Why could not subsequent CRB checks be carried out much more quickly, simply by confirming that the person applying for the job is the same person who received the original check? Surely, that would be quicker and cheaper for all concerned. I should also like the Minister to consider what impact that must have on the job market in sectors that frequently require such checks. To pay £35 or £55 every time one applies for a job must surely be a severe strain on anyone who is unemployed.

My third theme relates to the example of a constituent in a position of responsibility who was accused of a serious assault on a minor but never charged. He was the headmaster of a special school for boys with emotional problems. Indeed, the school is one level below a secure unit, so one can imagine the kind of boys who, perhaps through no fault of their own, are at the school and the kind of behavioural problems encountered. It seems to

[Mr. Edward Vaizey]

me inevitable that there would be clashes between staff and boys, and of course staff are highly trained to deal with those circumstances. My constituent, who was involved in such an altercation, is described by his union representative, who has known him for 10 years, as a man with an impeccable reputation—indeed, an international reputation—in the field in which he works.

My constituent left his job for reasons wholly unrelated to the incident that took place, yet when he applied to do voluntary work for a charity that he had been involved with for 15 years and on whose management committee he has sat, he had to apply for a CRB check. After huge delays, which of course I had to get involved in, the CRB form finally arrived. Imagine his surprise when he read a detailed two-page synopsis of the allegations that had been made against him: not only were they reproduced, in essence, as facts, but as facts themselves they are entirely inaccurate.

The Minister will have noticed that I am keen to keep confidential the details of all my constituents who have run up against the CRB, but I have the bureau form here, and she can see the length of the details of the allegations. In one part, the form states that Mr. X restrained the victim, took him to his office and slammed him against the wall and that the incident was witnessed by another member of staff at the school and so on. All the allegations are listed as fact, despite the fact that they are inaccurate about what happened and the number of people who witnessed the incident. Furthermore, they were thoroughly investigated and completely dismissed.

Mr. Stewart Jackson (Peterborough) (Con): I congratulate my hon. Friend on securing this debate and concur very much with his concerns. Does he agree that the real problem is the inconsistent application of section 113 of the Police Act 1997? A chief constable may wilfully refuse to amend or remove allegations against people who have never been charged or convicted of a criminal offence, and as a result of malicious or vexatious accusations, those allegations cast a pall over their professional life.

Mr. Vaizey: I completely agree with my hon. Friend. That is similar to an issue that I suspect both he and I have encountered—of innocent people having their DNA taken by the police. The default position for the police is that they simply will not change or amend the details. They have no sense at all of the effect that that might have on an individual. One suspects that they take the view that it is convenient for them and increases the information available to them, but there is no sense beyond that of their wider duty.

This is completely outrageous and a huge offence against natural justice. As a result of what happened to my constituent, he is, in effect, unemployable. I admit that I would not employ him on the basis of simply reading his CRB check. A new offence seems to have been created by the 1997 Act whereby an allegation against someone can blight the rest of their life. That old film cliché, "You can walk from this court without a stain on your character," is no longer true. It seems that under the CRB, once an allegation is made, a person is guilty as charged, even if they are found not guilty.

Another issue that I want to address is the inappropriate use of CRB checks. I recently discussed the effect that they were having on children's authors with a well-known children's author who regularly visit schools. I appreciate that some of these points may be out of date, because I gather that the issue has been reviewed as a result of the uproar caused by the creation of the Independent Safeguarding Authority. However, as a snapshot of what people are up against, the author's letter is telling and, given that she is a well-known children's author, very well written. She stated:

"Recently, there has been a huge upsurge in the number of schools insisting that visiting authors have CRB checks. This is despite the fact that we are never (not least for insurance reasons) left alone with children, and that we are usually only in a school for a few hours. Many of us do have CRB certificates, but some do not, and getting one is not easy—they have to be secured through an 'umbrella' organisation, and authors, as self-employed freelances, tend not to belong, nor to want to belong, to such things. Even when they do, it can take ages for clearance to come through."

I have covered that point already. She continued:

"In the meantime, visits are being cancelled and children, while being 'protected' against an infinitesimal risk, are being denied the far greater benefit of meeting an author and possibly being inspired to read".

The author concedes that the problem

"seems to be not so much the law itself (daft though some of us think it is) but the interpretation of that law by schools, and particularly by Ofsted... The whole thing is becoming massively more complicated by the delayed (and botched) introduction of the new 'ISA' checks."

She then makes a telling point about the whole climate created by the CRB:

"On top of this there is the question of what we are doing to children by implying that all adults, and even their favourite writers, are potential threats."

As I said, I understand that some progress has been made, but even Sir Roger Singleton stated in his report that the Government must do more to communicate how the system works and what the benefits are.

We all know of cases—yes, I have had one in my constituency—where exchange visits that have gone ahead without any problem for years have had to be cancelled because the parents in host families suddenly had to take CRB checks. To coin a phrase, we cannot go on like this. The Government have created a monstrous and—I use the word advisedly—Orwellian bureaucracy. Between 9 million and 11 million of us fall under the remit of the CRB; in fact, I am astonished that I myself, in my capacity as a Member of Parliament, have not been asked to provide a CRB check when visiting a primary school. The CRB costs taxpayers hundreds of millions of pounds. It processes about a million people a year. It is decimating voluntary working, creating a climate of fear and putting people off getting involved in civic duties. Does the Minister truly believe that it is making us safer?

At the very least, can the Minister commit today to providing clear guidance for employers and voluntary groups to deal with the confusion that seems to arise about schools asking for CRB checks and to make employers aware of the processes? Can she provide a clear threshold, based on time spent working with children, for when a CRB check should be applied?

Can the Minister commit to reducing the time taken for the checks? Can she commit to reducing the need for multiple checks? Can she publish in the next few days

the number of complaints made by hon. Members on behalf of their constituents and, in general, complaints about the CRB and its delays?

Can the Minister provide an annual assessment of how the CRB has allowed us all to sleep safer in our beds? Can she confirm, for example, that there has been a statistically significant drop in the number of attacks and assaults on children, which, of course, I would welcome as a result of the creation of the CRB.

As I said, the case of my constituent who had allegations appear on his CRB form that had been thoroughly investigated and dismissed was the straw that broke the camel's back. I have been informed of several cases through my surgery and my postbag of people who are exasperated by the workings of this bureaucracy, and that is why I felt compelled to call for this debate and why I will listen intently to what the Minister has to say about the CRB.

4.27 pm

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): It is a pleasure to serve under your chairmanship, Mr. Evans, I believe for the first time. I shall not repeat the facts about the establishment of the Criminal Records Bureau as they have been outlined by the hon. Member for Wantage (Mr. Vaizey). Instead, I shall get straight on to some of the points that he raised, and in particular go into detail on why we have repeat disclosures, and on disputes about information.

The hon. Gentleman has not tried to discuss an individual case; regardless, I point out that I cannot discuss individual cases, but I am happy to facilitate a meeting between him and the leading people at the CRB and to be present at it myself, if that would be helpful. I hope that we can catch each other after the debate to make arrangements to do that as quickly as possible.

The main subject of the debate is the enhanced disclosure. The CRB currently issues standard and enhanced disclosures. Standard ones include information about criminal records but also about cautions and other police. Enhanced disclosures include, critically, other local intelligence—the kind of local intelligence that was not released in the case of Ian Huntley. That is one of the reasons why it is particularly important.

The hon. Gentleman discussed delays of five months. I shall go into performance statistics in a little more detail, as he indicated I might. Five months is an unusually long time, as most checks are done quickly, and must mean that there has been a need to acquire information from different police forces and perhaps elsewhere.

The hon. Gentleman asked specifically whether the protection of vulnerable adults list will be taken on by the Independent Safeguarding Authority. It is at present undergoing transfer so that any cases on the POVA list from last autumn will be transferred to the ISA. Some will be case-worked again—there may be issues around the decisions.

I wish to make it absolutely clear that a work permit does not require a CRB check. I am not quite sure whether that is what the hon. Gentleman was asking, but it is worth reading it into the record that a work permit itself does not require a check.

The Thames Valley police force has a backlog, but it is one of six forces where the CRB has made a special arrangement to allow staff to access police records directly so that most cases can go through quickly. It is going well with the six forces. In addition, 20 CRB staff are embedded with the Metropolitan police due to the difference in IT systems.

We hope to see more of that, because it means that most checks will be done quickly by trained and dedicated staff. In some small forces, there are very few people to do them. All it takes is for one person to be sick, and the force's ability to deal with the backlog can be affected. I have the latest performance figures of the Thames Valley police; if I do not have time to read them into the record, I can provide them to the hon. Gentleman.

I want to correct a slight misapprehension about fees. Perhaps it is not a misapprehension; perhaps it is based on fact. The fees for a disclosure are £36 for an enhanced disclosure and £26 for a standard disclosure. They are, of course, free for all volunteers, who account for about 22 per cent. of the total, or one in five. Any additional fees may be charged by the bodies that collect the forms and submit them to the CRB on behalf of the applicants. Some local authorities and others provide that service for a fee; others do it for free. It is up to the individual to shop around, should they want to do so.

There is quite a lot of public support for the CRB. Nine in 10 people agree that those who do paid or voluntary work with children should be checked and would be willing to be checked themselves, and nearly three out of four members of the general public think that the CRB is making a difference. I contend that the fact that 98,000 people have been prevented from working with children and vulnerable adults is an argument for the success of the scheme and a challenge to some of the points raised by the hon. Gentleman at the end of his speech.

Mr. Vaizey: That seems to get to the nub of the argument. In theory, one of those 98,000 is my constituent. As I said, in normal circumstances, he would not have a stain on his record, because the allegations against him when he was working in a highly complex environment with vulnerable children were investigated and dismissed. However, because the enhanced disclosure form includes those allegations, he cannot work with children. That is what the Minister is describing as a success.

Meg Hillier: That is one case. I will talk a bit more about the total number. Some 6.7 per cent. of checks reveal information of interest to the employer, but only 0.5 per cent., or 21,000 cases—I acknowledge that that is a significant number—contain information from a police force. The accuracy level is very high, at more than 99.96 per cent. The factual information in records provided by the police and attached to the right individual is accurate. In a moment I will discuss in detail the number of people who lose their jobs as a result. It is very small. To touch on the individual case, although I will not discuss it in detail, there is a dispute process. I am happy to talk privately with the hon. Gentleman about what might be happening in that individual case.

To pick up on some of the hon. Gentleman's later points, I should clarify that there is no need for a CRB check when the person is not alone with children. That

[Meg Hillier]

is commonly misapprehended by many organisations. One leading light in a large voluntary organisation said to me, "There's a problem. Everyone thinks that if you do gardening in a hospital, you have to have a CRB check." It is important that we get the message out that the risk of decision making lies with the employer, agency or voluntary group that employs people. They must still go through the normal checks and procedures to ensure that someone is safe. The CRB check is simply a tool. It provides information. In a moment, I will give some examples of people with information who have gone on to work.

The hon. Gentleman alleged that the system reduces the number of people who volunteer. Many organisations, such as the National Society for the Prevention of Cruelty to Children, have gone on the record publicly to explain that there is no reduction in volunteering. About one fifth of all CRB checks are done on volunteers. There is no evidence of a massive reduction in volunteering. We are a nation of volunteers, and it is not having a negative impact. I will talk about portability and its effect in a moment.

On the Independent Safeguarding Authority, the regulations do not apply to private and family arrangements or ad hoc arrangements. Anything more frequent than once a week would be seen as a regular arrangement. For example, someone who goes to a school to read to pupils under supervision would not be required to register with the ISA or undergo a CRB check. I have gone to make paper flowers with my daughter's Brownie group. The Brown Owl was present at all times, so I did not require a CRB check, although I have had one for the Scouts, as I attended a residential event in my spare time. There are different circumstances.

I am a mother, and I see the practical reality of why this works. I am not a vulnerable adult, but I want to know that when my children are out of my care and in the hands of professional strangers, those strangers are vetted and cleared to be safe with my children. Arrangements for care that I make with my neighbours, family and friends are a matter for me personally, and it is right that the state draws a line in the sand at that point.

The hon. Gentleman raised many issues, and in the seven minutes remaining I will canter through them. The number of job offers withdrawn as a result of disclosure is only 0.5 per cent. of the 4.4 million per annum. An Ipsos MORI report from 2008 showed clearly that the primary reason for withdrawal of job offers is that details of the individual's previous convictions are on the form, which applied in 71 per cent. of cases. That could be an unspent conviction, or one that was relevant to the job in hand. Only 20 per cent. of those job offers were withdrawn due to the police force information released as part of the CRB check. That included cautions and non-conviction information, and involved only about one in five of that small number. Only 4 per cent. of that small number—about 0.5 per cent. of the total—were withdrawn due to police information released in a separate letter. That pertains to the example given by the hon. Gentleman about his constituent. A very small number of people are in the same situation as his constituent. That does not mean that we do not take the matter seriously, but it is important to safeguard children, and we must recognise that there are consequences from an arrangement such as this.

I can give examples of disclosure information that has been revealed to employers, but not led to withdrawal of a job offer. Information released to provide clarity involving a rape conviction—rape is a serious crime, and none of us would treat that lightly—may show the ages and relationship of the victim and offender, and may inform a decision. If an 18-year-old boy and a 15 year-old-girl were in a consensual long-term relationship, a different light would be cast on that, and there have been examples of employers taking on someone with a conviction or allegation of rape.

In one example involving the mental health of an applicant, an individual had been sectioned under the Mental Health Act 1983, and the police had been called to an incident. The information states that the individual was later diagnosed with bipolar disorder, and that individual was employed. There may be information about drug treatment programmes and so on that an applicant attended as part of a disposal of sentence. That has not prevented people from entering employment.

The key point is that the final and most important decision is made by the recruiting body. The CRB check plays a role, but the Government do not provide a gold-plated guarantee. That is not the role of the CRB. We can do more cross-party—the Government need to do more, as do all of us—to ensure that we recognise and challenge CRB checks if they are made inappropriately.

I have little time left, and I want to canter around the issue of delays. There have been perceived problems, but the service standards are good. Most cases of enhanced checks—87.7 per cent.—will be issued in 28 days. The time they take varies, because sometimes an employer or registered body that processes applications may hold on to the application form. I sometimes receive letters complaining about a delay and it turns out that the employer has held on to the form for perhaps six weeks or more, which has caused a delay in getting it to the CRB.

Sometimes the form is not as accurate as it could be, which is why we have reduced the number of bodies that are able to process them. We had evidence to show that those who did not deal with them regularly were less accurate. Having fewer, better trained registered bodies dealing with higher volumes means that they are better at the job, and that has helped. Clarity of information provided may be an issue that we must go back to and check, so getting it right first time is important.

The key issue is whether there is conviction or non-conviction information. The deal is that police forces where someone has been living for the past five years must make a check. For many people the return is nil and the check is done quickly. When the CRB has information, it can be turned round quickly, but so far only six forces and the Metropolitan police are involved. There is an issue concerning the operational effectiveness of police disclosure units, and that may be because they are small in number.

Work is being done, and I shall not go into it in more detail, but I would welcome hon. Members visiting a disclosure unit. The Metropolitan police are only down the road from Parliament and would be happy to host hon. Members, and I am sure their local police forces

would do so. The Metropolitan police are particularly useful because the unit is large and it can be seen how minutely they look at non-conviction data. Such a visit would be helpful, and I would be happy to arrange it for the hon. Gentleman.

The hon. Gentleman raised the issue of complaints. Complaints about disclosures amount to 0.18 per cent.—just less than 0.2 per cent.—of the total number of disclosures issued. We take any complaint seriously, but most in the public service would think that a pretty good standard. As I said, customer satisfaction is very high.

The role undertaken by police forces goes to the heart of safeguarding.

Mr. Vaizey: May I ask the Minister to address multiple checks?

Meg Hillier: I will move on to multiple checks. I just wanted to say that the police take this seriously and that I would welcome the hon. Gentleman's visit to the disclosure unit.

On portability, there appears to be a common misconception that CRB checks cannot be taken elsewhere. CRB checks that have been done elsewhere can be accepted, but if the job it was done for was very different, the information released might be different. It is for the employer to decide. If a check is very old, it might be out of date. If a check is a few weeks old, another one might not be required.

It might be that people are over-asking for checks. I have met organisations that say it is their standard policy to ask for checks. They do not need to do so, but should look at each case individually. They should be prepared to take that risk-balance judgment in a sensible way. Broadly, for a similar job in a similar time frame, the check is portable. We are looking to make it a continuous, updating process. That is under way at the moment with the CRB.

The CRB cannot endorse the use of portability due to the risks involved. It must let the employer make the judgment. The CRB used to make the decision, but it is not appropriate for that to be done centrally. It must be done at the local level, where the employer has a relationship with the employee or potential employee, access to their referees and all the other information involved in a normal recruitment process. An organisation will have to consider the additional information that was released.

Mr. Nigel Evans (in the Chair): Order. We are moving on to the next debate. I hope that the Minister is able to stay, at least until Mr. Austin arrives.

Coventry and the West Midlands Economy

4.42 pm

Mr. Jim Cunningham (Coventry, South) (Lab): I welcome you to the Chair, Mr. Evans. I think this is the first debate I have attended that you have chaired and I look forward to your guidance.

I do not know whether the Cadbury announcement makes this an opportune moment to raise these issues. There has been a lot of concern in the west midlands over the Kraft takeover of Cadbury. Kraft does not have a good reputation for retaining employees, or on plant closures. Perhaps when the Minister gets here he could consider putting pressure on Cadbury to at least meet representatives of the labour force. Just before Christmas, I met the trade unions along with a number of other west midlands MPs. They were having great difficulty getting information regarding the takeover bid. Perhaps he could arrange with Kraft the start of discussions with the trade unions. They certainly have concerns about jobs and plant closures and they need reassurance. I hope he can do something to get those discussions going.

In initiating this debate, I knew that the Government had been working hard to deal with the west midlands economy. This is not an attempt to denigrate the Government's attempts to help the west midlands economy. I am sure the Minister knows that despite the Government assistance, the west midlands, which I have always said is the powerhouse of the British economy, has been struggling over the past few years. The recession has affected the west midlands more seriously than any other region because it is a manufacturing area and an innovative area. It has a great reputation for the production of skills and contains a number of great universities. Nevertheless, in the west midlands, manufacturing is allied to trade. When world trade goes down, manufacturing in the midlands is a victim.

Running alongside that, the west midlands probably has the highest unemployment rate in the UK at approximately 10 per cent, and we are obviously concerned about that. The area also has the fastest rate of job-shedding in the UK, and there are 12 per cent. less jobs in manufacturing compared with 2008. Employment is not predicted to return to 2008 levels until 2015. The 18 to 20-year-old age group has seen the largest rise in unemployment, to 32.2 per cent., and the area has the worst performance of all regions in terms of business activity.

The Minister will know that in recent years we have had the cases of MG Rover and Peugeot; there is the looming closure of one of the Jaguar Land Rover plants, and there is a lot of discussion about that. However, there is some good news regarding Jaguar, as it has said it has a 10-year programme for the midlands. That is good news given all the uncertainties. Recently, Ericsson decided to pull out of Coventry, despite the fact that the Government are still in discussions with it to see whether they can persuade it to stay. We must pay tribute to the Government for that, and my hon. Friend the Member for Coventry, North-West (Mr. Robinson) has played a major part in those discussions. We hoped that he would be here today, but he has obviously been held up. I pay tribute to him for his efforts, along with those of Ministers and trade unions, to see whether Ericsson could be persuaded to stay in the west midlands.

[Mr. Jim Cunningham]

The decline of manufacture is nationwide and not only in the west midlands, although that area has borne the brunt. To be fair, there has been a lot of diversification in the west midlands over the last 20 years, which has been an important element. As I have indicated, car manufacturing has declined in the past, and only recently Aston Martin announced the cutting of 300 full-time jobs and 200 temporary jobs at the Gaydon plant as a result of falling sales figures. However, the good thing is that Aston Martin is stopping in the midlands, and we could get growth in that area in the future. It is not necessarily all doom and gloom, although it is for those employees who are affected.

Anyone who has gone through unemployment—and I have—knows what it is like to be unemployed. People lose their dignity and worry about their family, and that can create family situations that are not very pleasant to say the least. The husband and wife are constantly under pressure and worried about their children and their mortgage. Those are some of the effects of unemployment.

Although, as I said, Jaguar Land Rover has given us a lot of good news, it had an extended Christmas closure in one of its west midlands plants. There is a lot of bad feeling about what happened with Peugeot and the way that "consultation" was carried out in Coventry. It was arbitrary; there was no consultation at all. Trade unions feel that many continental manufacturers treat their employees differently from the way British employees are treated. In other words, British employees feel that they do not have the same protection as their colleagues on the continent. That has been a concern for a long time.

We must also take globalisation into consideration. Despite the Government giving companies tax credits, work still goes abroad. It is difficult to prevent that work from going abroad because of what is called outsourcing. The regional development agency in the west midlands has invested a considerable amount of money to mitigate the recession in the area, and it has also given Ericsson money. As I said earlier, we are still trying to prevent that closure.

The work goes, of course, to economies and countries where the costs are lower. The British worker is competing against employees abroad who are working for far less—in China or Singapore, for example. Recently, we have had the case of Kraft, and as I said, workers in the UK feel that they are not getting the necessary protection. That cannot be said too often. With every closure, workers have been kept in the dark. France and Germany have used short-time working subsidies to protect manufacturing jobs. Those countries have a massive trade surplus, and we have a deficit.

We must accept that the construction industry has gone through a bad time, but we recognise none the less that the Government have a number of schemes to kick-start the construction industry. We need affordable houses in this country, but we will not get them by building on green areas such as Kings Hill on the outskirts of Coventry, where the green belt is in jeopardy. The area is environmentally valuable. Residents in the area are not saying that we should not have new houses in Coventry; they are saying that there is capacity for about 25,000 houses on Coventry's brown belt, so there is no real need to bring Kings Hill into the equation. The matter has gone to a planning appeal. We do not know the outcome, as it is being reviewed, but I wanted to highlight it.

I understand that any eco-housing proposals for Coventry would have to be agreed by Coventry city council. In other words, a voluntary scheme has been proposed for Coventry, as it has throughout the country. It will not be imposed on anybody. If Coventry does not want it, we will not get it. That is what I understand from the Minister for Housing.

We need to do more to retain skills in the west midlands in the UK. We will need them whenever the economy starts to take off. In past economic downturns, we have often found that we lack skills when the upturn comes, which can create many problems for small and large businesses. We also need a strong science base. Coventry, with its two universities, has a lot to offer in that respect. Other universities in the west midlands—I am not too familiar with them—are probably in the same position. A lot of innovation and effort have gone on in the west midlands.

Coventry has a skilled work force, but 20 per cent. of people aged 20 to 24 have a national vocational qualification of level 1 or below. They are the most likely to be unemployed. I know that the Government are considering what can be done to get such groups into employment. As I said, I welcome Jaguar Land Rover's 10-year plan. Not only has it created 100 jobs; those jobs are graduate jobs, which shows that Jaguar Land Rover is taking remaining in Coventry seriously. What happens after the 10-year programme? We will deal with that as we go along.

Advantage West Midlands is running a graduate internship scheme. There is also a national internship scheme. We must congratulate the Government on launching new initiatives to create new apprenticeship schemes, and we should support them as much as we can. In the past, apprenticeships have been neglected. They were certainly neglected by the previous Government. I remember that Rolls-Royce got rid of its apprentice schemes many years ago. I am glad to see that the schemes are coming back.

We had discussions with Rolls-Royce this morning about its future in this country, which looks positive despite the recession. The company has a number of interesting ideas about developing new plants. Ansty in Coventry will be one of the plants to be developed. It gives us a lot of heart to know that Rolls-Royce is planning to stop in Coventry for the future.

When we look on the positive side, we must give a bit more credit to Advantage West Midlands, which created Ansty technology park on a new site. We have had a setback with Ericsson, but when the upturn comes, as I am sure it will, Coventry will be in a good position for that area to take off.

We have had problems at Coventry airport, but whatever people think about that airport, the fact remains that many small businesses are on that site. Because of the structure of the lease, they have to negotiate with the airport company, which is in liquidation, so there is concern about the jobs and businesses on the site. I am told that Coventry city council is negotiating with two partners; I do not know who they are. It seems to be quite positive about the fact that it can save that site and possibly the airport.

My concern is not necessarily about the airport itself, but about the consequences if the airport expands. Because there is no infrastructure, expansion would create major problems in the area, and I have always been suspicious that it would be a substitute for Rugby. Nevertheless, whatever I think about the airport, there are many small businesses there and they depend on that site. There is a lot of concern about that.

We went through a period of post office closures in Coventry; everybody has been through that. We welcome the fact that the Government have invested £150 million per annum to support the Post Office. The fact remains that the Government certainly did not pursue their proposal on privatisation, and we do not know what will happen in the future. The Opposition certainly want to privatise the Post Office. That could have consequences, but nobody ever voted for post office closures in the House, as far as I can remember.

Nevertheless, many positive things are going on in the Coventry area, as I have said. Not only in the Coventry area but nationally there is empty property relief, for which many small businesses campaigned for many years. I know that the Minister will want to give me a detailed response, but I have a few more points to make before I finish. It is heartening that Rolls-Royce has been awarded a £258 million contract to build engines for Royal Navy sea helicopters, some of which will certainly go to Ansty. We should consider some of the other things that the Government have done. The car scrappage scheme has been a major success, with about 15,000 transactions in the west midlands alone. I therefore welcome the scheme and the fact that the Government will extend it, as that is a positive measure.

Let us consider the green economy. Lots of exciting work is going on in low-carbon technology, particularly in the Coventry area. E.ON is working in partnership with a Coventry company—Advanced LEDs—to develop a low-carbon LED streetlight, known as Marlin, providing local authorities with low-carbon and energy-efficient streetlights. Another good aspect is that Remploy, which has struggled to survive for many years, will play a major part in the production and shipping of the lights. Again, there are lots of positives about what is happening in Coventry and other parts of the west midlands. In fact, some of the technology to which I have just referred will be used not only in Coventry but in Rutland and, later this month, possibly Blackpool. Such innovation needs to be promoted.

The CABLED—Coventry and Birmingham low emission demonstrators—project is an electric car trial in the west midlands run by E.ON. It, too, has been awarded Government funding from the ultra low carbon vehicles demonstrator competition, and is a trial of 110 electric vehicles with ordinary drivers in Coventry and Birmingham, with 25 cars being tried out in Coventry. The idea is to study how practical and efficient those vehicles are. Charging points will be installed in Coventry in a mix of car parks and kerbsides. That will no doubt generate quite a bit of debate.

We need to encourage such innovation and keep the results in the west midlands—we need to ensure that nobody tries to pinch the patents, use them abroad, then export things back to this country. Other investment is going on. Regional bodies such as Advantage West Midlands contributed regeneration funds of £296 million from 2006 to 2009. I end by saying that it is very important that the Minister unlock the banks, as it were, particularly to give support for small businesses in the west midlands and nationally. Unless that is done, we in the west midlands will face major problems. Again, it is the small businesses that suffer the brunt of decisions taken by companies such as Ericsson. It is vital to get that money to them as soon as possible.

5 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): I congratulate my hon. Friend the Member for Coventry, South (Mr. Cunningham) on securing this important debate.

My hon. Friend is an excellent constituency MP. He has made it his business, in a lifetime of public service, to ensure that the challenges and opportunities that face the local economy are at the top of everyone's agenda in Coventry and the west midlands. I do not know whether it is widely known that he left Scotland in 1959 and travelled south in search of work. He wanted to go to America, but his parents would not let him. America's loss was Coventry's gain. Since arriving in Coventry, he has—first as a worker at Rolls-Royce, then as a trade union leader in the city, a councillor, and leader of the city council, and now as an MP—always fought unstintingly for more jobs and greater prosperity for people in his area.

My hon. Friend is right to say, as he did today, that the west midlands has been hit hard by the recession. We have been hard hit, like every other region. However, some areas have been hit harder, not as a result of mistakes or decisions made over the past few years, but because of mistakes made over the past 40 years, with the accompanying structural weaknesses in skills, transport, trade, and levels of innovation in the regional economy.

The structural weaknesses of the past four decades mean that, on a like-for-like basis, output in the west midlands has lagged behind the national average since 1976. That is why the economy in our area has been hit harder than that in some other areas. However, the good news is that today's figures show that unemployment in the west midlands fell by 20,000 over the last quarter—the second highest fall in the UK.

Every job lost during the recession is a tragedy for the families affected. Nobody can promise—no one would believe us if we did promise—to protect every job and save every company, but we must be able to say to those who lose their jobs that the Government are on their side. We will step in with more help, and more support with training and so on, to help people back into work as soon as possible. That has been our approach in the region over the past 18 months or so.

Our No. 1 priority has been to help the region's businesses through the downturn and get the region focused on modernising our economy. Ours was the first region to establish a taskforce to bring all public-sector partners together with the business community, trade unions, local authorities and universities, so that we could co-ordinate the region's response to the downturn.

My hon. Friend spoke about Ericsson. Like him, I pay tribute to my hon. Friend the Member for Coventry, North-West (Mr. Robinson) for the work that he is doing on the issue. I am pleased to say that a similar approach to that which my hon. Friend the Member for

[Mr. Ian Austin]

Coventry, South, spoke about is now being taken in Coventry by the Ericsson partnership to address the redundancies. I thank and pay tribute to him for the support that he has given to that partnership.

By working together, ours was the first region to extend lending to businesses, saving thousands of jobs through the regional loan fund. Ours was the only region able to extend funding to businesses in that way. We brought banks and businesses together, as my hon. Friend asked us to do, to try to get lending moving again. As a result, 680 businesses have been offered loans worth almost £70 million through the enterprise finance guarantee scheme. In Coventry, 22 companies have been offered loans totalling almost £3 million. Ours was the first region to launch a regional housing action plan to keep the construction industry moving.

As my hon. Friend said, our region has benefited from additional Government investment—£1.5 billion extra—to keep the housing industry moving and to save jobs in the construction trade with a number of new schemes, including the kick-start scheme and the local authority new-build scheme. They have all provided much-needed new homes for people in the west midlands.

Ours was the first region to launch a programme of subsidised jobs, training places and low-cost university courses for graduates struggling to find work last summer. That initiative is now being copied by other regions and extended by the Government nationally. Since November 2008, the Jobcentre Plus rapid response service and the Learning and Skills Council have worked with 700 employers to help more than 54,000 employees at risk of redundancy try to ensure that their jobs are not lost.

Bids for support from the future jobs fund will create almost 10,000 jobs in the west midlands, 500 of which will be in the Coventry area. That is the second highest number of any region in the country, which means that I am delivering on my pledge to ensure that the west midlands gets more than its fair share of available resources. We have accelerated spending on major public-sector infrastructure projects, such as Coventry's new deal for communities, to ensure that new investment can go ahead and new homes can be created.

My hon. Friend talked at great length about the car industry, using his expertise and knowledge. He lobbied hard for the introduction of the car scrappage scheme, so he will be pleased to hear that it has generated more than 240,000 orders already, and has helped many component companies in the west midlands.

Through the regional development agency, Advantage West Midlands, we are providing £30 million over the next three years to support the low-carbon vehicles plan from the new automotive innovation and growth team. There are also encouraging signs that Coventry is well placed for recovery because of the work that people in the region have done to modernise the sub-regional economy.

At a national level, a whole range of measures will assist businesses in Coventry. For example, the pre-Budget report extended the enterprise finance guarantee scheme for a further 12 months. That will hopefully address the access-to-finance problems that my hon. Friend highlighted this afternoon. "Going for Growth: Our Future Prosperity" builds on the strategic approach set out last year in the policy document, "Building Britain's Future—New Industry, New Jobs".

Mr. Jim Cunningham: One of the things that the Minister might consider, and which would be helpful to Coventry and have a knock-on effect in the midlands, is the NUCKLE—Nuneaton, Coventry, Kenilworth and Leamington—project, or Ricoh Arena project. The business plans have still to be submitted, but could the Minister keep his eye on the project? There is a fear that with a looming general election, that project will be shunted away somewhere and never see the light of day, but it is vital to the people in Coventry.

Mr. Austin: I know how hard my hon. Friend has worked to build support and lobby for the NUCKLE project over the past few years, and he is right to identify it. As I understand it, we are still waiting for the business plan. As a result of his question this afternoon and the lobbying that he has done, I will ask for the scheme to be considered. We will go to the partners to ask for the project to be accelerated as soon as possible.

On the new industries and new jobs agenda, we are considering how we can turn opportunities in the digital media, and in low-carbon, high-tech manufacturing, into jobs and business opportunities in the west midlands. Late last year, I announced four working groups in the region to see how we can exploit the new industries and ensure that the west midlands does not lose out on investment opportunities in the future. I have asked Advantage West Midlands, through the taskforce that I established, to set up four working groups that bring together representatives from private industry and the universities to look at opportunities for the west midlands in those specific areas.

First, there will be a new low-carbon group chaired by Julia King from Aston university. Members will include Ministers from the Department of Energy and Climate Change. Secondly, we will have a digital creative industries group, which will be chaired by Jonnie Turpie from Maverick TV. The Minister with responsibility for creative industries has agreed to join that team. Thirdly, we will have a health-care technologies group, chaired by David Gleaves of MidTECH. I have asked the Minister of State, Department of Health, my right hon. and learned Friend the Member for North Warwickshire (Mr. O'Brien), to play a part in that, as we work out how to bring the jobs and the new medical developments to the west midlands.

Finally, an advanced manufacturing group will be led by Harry Reilly of Brintons Carpets and my hon. Friend the Member for Stourbridge (Lynda Waltho). Mr. Reilly also chairs Beacon Manufacturing Group, which is planning how we can lead the way in new manufacturing technologies, just as we did in the past—something that my hon. Friend the Member for Coventry, South, mentioned.

There are opportunities that Coventry can benefit from. We are supporting and encouraging innovation and investment-based projects in Coventry through AWM. For example, £4 million has gone to the Serious Games Institute at Coventry university, which has helped the west midlands become a leader in digital media. There was an investment of £6.4 million in the Rugby Power academy to meet the demands of the new low-carbon

energy economy. There has been significant investment in Modec, the world-leading, Coventry-based manufacturer of commercial electric vehicles.

Through AWM, we are investing substantial sums to position the region to lead the country in science and innovation. There has been an investment of £77 million in the Birmingham-Warwick research alliance, through Birmingham science city, for the areas of energy, advanced materials and translational medicine. There is £20 million to support the development of clinical trialling and experimental medicine facilities in the translational medicine part of the science city programme. We are also investing in a health technologies design institute at Coventry university. The manufacturing technology centre at Ansty has received a £40 million investment. We are committing £40 million to a £2 billion programme to regenerate Coventry city centre, a key element of which is the Friargate commercial master plan for the area around the railway station, which recently received planning consent.

One of Coventry and Warwickshire's greatest strengths is the fantastic work of the Warwick manufacturing group at Warwick university and the work of Coventry university.

5.12 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 21 January 2010

[MR. JOE BENTON *in the Chair*]

Violence Against Women

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Heppell.)*

2.30 pm

The Solicitor-General (Vera Baird): It is nice to see the Front-Bench teams from the Equality Bill reassembled for one appearance only.

We take violence against women seriously in all its forms. We all have a responsibility, along with the Government, to tackle violence against women and girls within our families and communities, at our places of work or study and in society at large. The Government have developed a number of linked national action plans on domestic violence, which includes tackling female genital mutilation, forced marriage and evil crimes committed in the name of honour; sexual assault and rape; prostitution; and human trafficking. We want to increase reporting and conviction rates, ensure that victims are supported, improve the criminal justice response and maximise prevention.

The largest ever cross-governmental public consultation on tackling violence against women and girls was launched by the former Home Secretary, my right hon. Friend the Member for Redditch (Jacqui Smith). During 2009, it received more than 10,000 responses, which informed the cross-governmental violence against women and girls strategy that we published in November.

The Department of Health has launched a taskforce led by Professor Alberti to consider the health aspects of violence against women. It aims to identify what is the current national health service response to violence against women and girls in terms of prevention and treatment, and to consider what more needs to be done. Part of that work is specifically to look at sexual violence against women and children. We expect the report next month.

The work I am describing puts into a higher gear the work the Government have done over the past decade, which has transformed the debate on violence against women. A comprehensive search of *Hansard* shows that the issue was very rarely mentioned by the last Tory Government. If one looks beyond the debates in the Chamber to debates on Bills, as I have done, one sees that Labour Front Benchers tried to amend Tory criminal justice Bills to get rid of the ability to cross-examine women on their sexual history and proposed support for domestic violence victims, but found their proposals blocked. Meanwhile, an epidemic of violence against women was being suffered privately.

The advent of 100 Labour women MPs in 1997 meant that the issue was taken on and run with. It has been taken on seriously, strongly and continuously by Ministers, male and female, ever since and there has been step-by-step improvement. Importantly, we have worked closely with the third sector, where there is great understanding of the subject—for example, Women's Aid has 35 years' wisdom. We have passed good legislation such as the Sexual Offences Act 2003 and the Domestic Violence, Crime and Victims Act 2004.

As a consequence of the steps we have taken, domestic homicide rates are lower now than they have been for the past decade. I used to make speeches on violence against women in which I said that between two and three women a week are killed through domestic violence. Happily, that statistic has changed, although it is still far too high. On average, just over one woman is now killed each week.

Mr. Brooks Newmark (Braintree) (Con): As the Minister knows, I take an interest in this problem. The evidence I have seen shows that the average length of sentences has fallen dramatically from 90.5 months in 2003—a year she mentioned—to 81.2 months in 2006. Can she explain that?

The Solicitor-General: Sentences for what?

Mr. Newmark: Sexual violence.

The Solicitor-General: Sentencing is imposed by the judiciary, not the Government. I do not think that those figures are correct. Rape sentencing was set down by the Millberry case about five or six years ago. It stated that the starting point for a rape case involving one rape is five years, increasing for aggravating factors, such as there being more than one victim or a campaign of rape. Life sentences and indefinite sentences are frequently imposed, for example in the case of Worboys. I do not accept that those figures are correct, but judges have the discretion to deal with each case.

We now have 700 specially trained independent domestic violence advisers nationally. That is a totally new sort of support person. From complaint to court, and if necessary beyond, they stand beside and befriend a domestic violence complainant and ensure that they are sustained through the pressures of a court case. They can help them with things such as benefits advice; home change, which may be required depending on where the violence happened; the impact on their relationship; and child care. They try to take those burdens off a woman so that she knows that if she is suffering domestic violence, she can make a complaint and have a friend beside her from start to finish.

There are 200 multi-agency risk assessment conferences, which protect high-risk victims and their children. Areas where they exist see a 50 per cent. cut in repeat victimisation of women. They have helped 29,000 victims of domestic abuse. Obviously, word has started to go round over the years that women will be supported, so women increasingly come forward. Support brings support.

I was proud yesterday to attend the Una Padel award ceremony at King's college London, where Survivors of Domestic Abuse, a volunteer organisation from Redcar, won an award for its work. It is run by young victims of domestic violence who saw the work done by Women's Aid locally and discovered that they could help people who were trying to get out of violent relationships by talking to them, sharing their experiences and giving support. It is cheering that it is young women who are doing that.

[The Solicitor-General]

There are 127 specialist domestic violence courts in which all parties, from magistrates to prosecutors and the police, are trained to understand the dynamics of domestic violence. That is a fundamental part of our effort to deal with domestic violence and to improve the support that is available. Prosecution rates have doubled since the introduction of those courts and the average is now 72.5 per cent. Conviction rates are going up.

We know that 750,000 children in the UK witness domestic violence. We have produced a toolkit, which since last September has been distributed to all front-line professionals to whom it is relevant. The toolkit contains risk assessments and safety planning tools designed to support vulnerable children and young people in situations of domestic violence.

We will more than double the number of sexual assault referral centres by March 2011, and there will be at least one in each of the 43 criminal justice areas in England and Wales. Such centres bring together in one place all the relevant legal and medical agencies and departments. A victim may go there on her own, with the police or with her family, or she can telephone the centre and somebody will go to get her. She will get the Rolls-Royce treatment and be supported from the beginning with the intention of sustaining her through any court case and in overcoming the trauma she has suffered. If she wants to report the assault, a specialist officer will come out.

We have announced funding of £1.6 million to enhance existing sexual assault referral centres and to create new ones. There will be further funding to extend the network of independent sexual violence advisers. Like independent domestic violence advisers, they are befrienders who support a victim from start to finish, but these advisers specialise in sexual violence.

Those services are available to male or female victims. Of course, most of the aspects I mention will focus on women—this is a debate about violence against women—but I ought to put in that footnote at this point.

Lynda Waltho (Stourbridge) (Lab): I welcome that list of new initiatives, which I know are working in many parts of the country. However, services are patchy: for example, anyone who comes from Stourbridge or Dudley and needs to get to a sexual assault referral centre has to travel to Walsall, which is quite a distance. Evidence has to be kept as uncontaminated as possible, and I know women who have had to travel in a van, sitting on newspaper, so that they can be examined once they have arrived at Walsall. That is quite a journey. The multi-agency risk assessment conference system is very good but, in Dudley where provision is patchy, victims have to suffer three or four incidents of domestic violence before they are put into that system. It adds insult to injury that they have to wait until they are beaten up again for that to happen.

The Solicitor-General: My hon. Friend makes a good point. It is important to preserve evidence and I am sure doing that can be quite uncomfortable on a long journey. As I said, we are enhancing the network of sexual assault referral centres, and the target is to have one in each criminal justice area, because those are defined areas that work cohesively together. There should not be an absolute barrier against the travel that is implicit. People in my constituency would have to go from east Cleveland and travel quite a distance through the countryside to the sexual assault referral centre in Middlesbrough. However, the police or whoever was dealing with the case would facilitate that.

In my constituency and presumably in that of my hon. Friend, there is a system whereby a trusted female cab driver is sent out to fetch the woman and take her to the sexual assault referral centre. Those centres have a lot of technical equipment and are highly staffed, so I do not suppose it will ever be practical to have one in every neighbourhood. However, she makes a strong point about ensuring that there is a proper distribution. The MARAC system is intended for repeat offenders. Of course, as my hon. Friend says, it is very odd to have to wait for someone to become a repeat offender before someone steps in. However, the assistance of an independent domestic violence adviser will be provided after one incident.

Lynda Waltho: That is the theory of how it should work and it is what I supported when I voted for the legislation, but that does not happen in Dudley. The services are patchy. Sandwell, which is next door, has a better system. There is a better buy-in of the local authority and all the agencies, but there are only two counsellors and one primary care trust-funded counsellor available for 20 hours a week, and, in the words of one worker, "If you can get into that, you're lucky." Essentially, someone needs to wait until they have been mucked about four times before they are put into the MARAC system. It is not that the people providing help do not want to do it; the problem is there is a population of around 320,000 in the Dudley area and literally thousands of women are unsupported in relation to this problem.

The Solicitor-General: Independent domestic violence advisers are, of course, not counsellors; they are primary workers who will provide support from the start, and they are usually from local rape crisis centre or Women's Aid centre. If there is a domestic violence court in my hon. Friend's area, which there must be, there are IDVAs attached to it and they need to be utilised properly. I do not know what her local authority is like in terms of match funding or funding—she has given a thumbs down—but the difficulty is that we send out money to local authorities for these services with indicators required for their performance and they spend the money as they should, but they do not always provide the service that she is seeking.

That is a real difficulty, and it cuts across the whole question of central versus local funding. I cannot decide from Westminster how many IDVAs there should be in Sandwell. That must be done by the local authority. Of course, there is a lot of Home Office funding for IDVAs and independent sexual violence advisers, but there needs to be some funding from the local authorities, too. My hon. Friend will know about the map of gaps, which shows where the gaps are with the intention—driven by the Equality and Human Rights Commission—of making those local authorities that are not match funding do so in the future. We are doing what we can, but my hon. Friend's point is well made.

Inside Government, we have a cross-criminal justice system rape performance group and all police forces in all Crown Prosecution Service areas are checked against a series of indicators. Of course, for some years, there

has been sexual offences training for senior police officers and advocates prosecuting rape cases. Some primary training for all front-line officers is also in process, so that hopefully no one will get anything but a totally sympathetic reception when they make a complaint.

The Baroness Stern review on rape was commissioned because we thought that the consultation on violence against women that I mentioned, which was behind the strategy, was not deeply enough representative of what was going on in rape cases. It is probably extremely difficult for people to talk about such things, so we have asked Baroness Stern to take an in-depth look. We have asked her to examine the responses of all the public authorities to rape complaints; to consider how more victims can be encouraged to report; to explore ways in which the attrition rate—the fall out between reporting and getting to court—can be reduced; to consider how to increase the conviction rate fairly; to identify how to increase victim and witness confidence and satisfaction; and to explore public and professional attitudes to rape to see how they impact on criminal justice outcomes.

Although I will primarily talk about justice issues, there is a whole tranche of the violence against women strategy, which I imagine will be buttressed by Baroness Stern, that says we need to do a good deal of public opinion work. It is just as important to protect and punish when such crimes happen as it is to prevent them in the first place. For that, we need to mobilise those members of the public who are not already on board. Baroness Stern will make some recommendations very shortly.

Turning briefly to the Crown Prosecution Service, over which the Law Officers have superintendence, those involved are pioneers. We believe that we have the first public prosecution service to integrate all forms of violence against women, according to the UN definition, into a strategy and action plan that relates work in this area to wider gender equality. That is consistent with the CPS's vision to become a world-class prosecution service. The CPS intends to improve prosecution performance by introducing a new indicator on violence against women, which includes targets for successful outcomes in relation to domestic violence, rape and sexual offences.

There have been good increases in rape prosecutions. The figure of 6.5 per cent. for convictions for rapes that are reported is much better than it was a couple of years ago, when it was 5.2 per cent. The figure is indeed small, but it is from report right through to court. When the stage of a charge is reached, the conviction rate is 59 per cent. and, and it is rising. I am not aware of any other offence that we count from complaint to court, so it is hard to compare that 6 per cent. with anything. The figure does sound small and I feel that it is, but once we get to the charging stage, there is a conviction rate of 59 per cent. In relation to domestic violence, we have exceeded the target of 72 per cent. Baroness Stern will consider the area between complaint and charge to see what goes wrong.

From the launch of the Forced Marriage (Civil Protection) Act 2007 up to last December, 107 forced marriage protection orders have been issued. From January to August last year, the forced marriage unit received 1,063 calls of one sort or another to enlist its services, which is an increase of 25 per cent. over the past year. We believe that the message is beginning to get out that forced marriage is unlawful and that it can be stopped. Of course, a range of people can help somebody who is a victim or who is about to become a victim to take action in court. We made civil action available because it was clear from the research done—not by us but by an independent trust—that if forced marriage were made criminal immediately, it would stop a lot of victims taking action, because they would not be prepared to criminalise members of their family.

In 2006 we established the UK Human Trafficking Centre, a multi-agency organisation centrally co-ordinating intelligence and operations on trafficking. Tackling human trafficking is now core police business, and every force should have the capacity to deal with trafficking within their area.

Prostitution is another element of violence against women. For some time we have had exit strategies in place to assist women to leave prostitution. They often come into prostitution very young or for reasons connected to their vulnerability. We have prosecuted pimps for many years, and there have been police campaigns on street prostitution for many years. Last year we conducted a review of demand in prostitution, which is linked closely to trafficking, but it is not only about trafficked women, and we concluded that it should be a criminal offence to pay for sex with someone who has been subject to exploitative conduct. That is now a crime, and there will be training for police and the CPS to ensure that it is used.

We have tackled newspapers that advertise prostitution by asking the Newspaper Society to tighten its guidelines, which it has done. The number of advertisements referring to, for example, "fresh foreign girls available every week" has diminished enormously. Tackling the trafficking element has been an effective part of the action we have taken. Personally, I am interested in looking at whether we should make it unlawful to put such an advertisement in a newspaper, as it is in Ireland, and we will look at that legislation to see whether it would help here.

The points I have raised are headlines. I hope that we have a good debate and that we hear fresh ideas, because the Government are keen, as I have said, to shift up a gear in all we are doing on violence against women. We think that we now have an effective multi-agency response and have implemented an effective approach to victims and survivors, and we will do more. We have an ambitious programme to make our community a safer place for all and, in particular, to end violence against women.

2.52 pm

Mr. Mark Harper (Forest of Dean) (Con): It is a pleasure to serve under your chairmanship, Mr. Benton. As the Minister said, and as I am sure all Members present will agree, this is an important subject, and I am pleased that the Government have chosen it for this afternoon's Westminster Hall debate. There is a good turnout, with colleagues from across the political spectrum wishing to contribute to the debate.

Violence against women remains serious and prevalent: 3 million women in the UK experience violence each year, and victims span a range of backgrounds, races, religions and socio-economic backgrounds. Different forms of violence can be linked and do not necessarily occur in isolation. There are, of course, enormous human costs, and enormous financial costs, too.

[Mr. Mark Harper]

I listened to what the Minister said about a cross-Government strategy, which is welcome. She will know that in 2007, my right hon. Friend the Member for Witney (Mr. Cameron) called for a cross-Government strategy for ending violence against women. In December 2008 we published our own strategy paper, "Ending Violence Against Women", which was a cross-departmental strategy. That is exactly the type of approach that must be followed. Indeed, WOMANKIND Worldwide, an organisation that works across the world and also does some work in UK schools on violence against women, commented on the publication of our strategy paper, stating:

"This is a real breakthrough. If implemented, the strategy would have wide-reaching repercussions for all government departments. The Conservatives have taken on board WOMANKIND'S advice to prioritise prevention through educating young people – and this approach has set the bar for the upcoming Labour strategy. We hope that the Government will include these commitments and take them further."

That organisation is doing work in UK schools to challenge violence and provide some of the education that the Minister touched on, and that sort of education in schools is very necessary. She referred to changing public opinion. One statistic of concern that I noted in a 2006 ICM poll is that 40 per cent. of young men thought that it was acceptable for a boy to expect to have sex with a girl if she was "very flirtatious". Surprisingly, 16 per cent. of girls agreed with that sentiment. Clearly, preventive and educational work in schools is, as she said, extremely important.

In the foreword to our 2008 strategy paper, the shadow Minister for Women, my right hon. Friend the Member for Maidenhead (Mrs. May), stated:

"Our vision is for a society in which no woman has to live in fear of violence."

The key point in the document is that we need an integrated strategy across all Departments, not just in the criminal justice arena. That was about dealing with prevention, as well as the consequences; it was about working with schools, the police, health-care professionals and the voluntary sector on measures that prevent violence from occurring in the first place. When it occurs, we must back the services that support and provide advice to women.

Jo Swinson (East Dunbartonshire) (LD): I totally agree with what the hon. Gentleman is saying, particularly in relation to the shocking statistics about the proportion of young people who seem to think that sex is to be expected if a girl's behaviour is flirtatious. Does he agree that that is why it is important that proper sex and relationship education be made a statutory requirement in schools—to give young people the confidence to say no and respect the rights of others? Schools or parents would then not be allowed to opt out of it, on behalf of their children. It is absolutely essential that all children have that kind of education.

Mr. Harper: I thank the hon. Lady for helpfully raising that point. In our strategy paper, we have stated that the specific teaching of sexual consent in schools is important. Indeed, we are relaxed about the Government's proposal to include that part of sex and relationship education in a statutory curriculum. Some aspects of sex and relationship education should be taught in accordance with the ethos of the school, but everyone should be taught about sexual consent, so that the issues are made clear to both boys and girls.

I will not try your patience, Mr. [redacted]on, by reading out vast chucks of the strategy paper, but I will give an indication of its flavour and scope. It covers several commitments on prevention and front-line services. It is worth noting in that respect that we want to establish a standard for contracts with voluntary-sector organisations, so that they are given funding for at least three years. That was also adopted in the strategy that the Government published at the end of last year.

On sentencing, my hon. Friend the Member for Braintree (Mr. Newmark) will perhaps be interested to note that we want to scrap the early release of prisoners on end-of-custody licence schemes, which are of particular concern in domestic violence cases. We also want to legislate to end automatic release halfway through an offender's sentence.

Another proposal included in our strategy paper has fortunately already come to pass. We highlighted the fact that women who escape from violence to a refuge frequently rely on benefits to pay for their stay, and we said that we would introduce a three-month grace period, during which women housed in refuges following domestic violence would not be required to seek work to qualify for jobseeker's allowance. The Government adopted that measure in the Welfare Reform Act 2009.

Our document also covers proposals on rape and sexual violence, and deals with female genital mutilation, forced marriage, stalking, trafficking and honour-based violence—like the Minister, I do not like using that phrase, as there is nothing honourable about it. I know that my hon. Friend the Member for Ryedale (Mr. Greenway) will touch on those subjects if he is successful in catching your eye, Mr. Benton.

The Minister highlighted the fact that the Government conducted a consultation on their cross-Government strategy last year and got a significant response. They published that strategy at the end of the year, and the fact that they adopted it is welcome. The Minister was right to say that the Government have adopted several measures on the issue in their 12 years in government, but it is fair to say that, until they published their strategy, they had disproportionately focused on the criminal justice system. That is not just my view; the cross-party Home Affairs Committee stated in its report that

"the Government's response to domestic violence...remains disproportionately focused on criminal justice responses at the expense of prevention."

It is good that that imbalance has been put right.

I want to draw out some of our specific proposals around prevention. As I said in response to the hon. Member for East Dunbartonshire (Jo Swinson), prevention must begin with education, and schools are obviously one of the areas that we need to look at. There is clear scope, within the work that schools do, for a greater emphasis on the issue of violence against women. As I said and am happy to confirm, we want to ensure that pupils in schools are taught the importance of sexual consent. We want to encourage schools to use the voluntary sector. They should use some of the organisations that support women who suffer from domestic violence—

they were mentioned by the Minister—to develop lesson plans, so that the issues can be discussed with young people.

Another proposal that we hope will be helpful, in terms of prevention, is our plan to establish a UK border agency that will better police our borders. That would be helpful in dealing with people-trafficking.

I have a question for the Minister on public-sector commissioning. She highlighted the fact that the Conservative and Liberal Democrat Front Benchers are well experienced on issues to do with the Equality Bill. I would be interested to know whether a matter that has been drawn to our attention has been raised with the Government. Many women's organisations, such as women's refuges, say that they are experiencing a funding cut, as public-sector funders—both local authorities and central Government—are saying that services have to cater for men and women equally in order to tick the equality box. The Minister said that many of the services do indeed deal with both genders, but it is also true—I think that she highlighted this as well—that women are disproportionately the victims of violence: 85 per cent. of domestic violence victims are women. Local and central Government must be confident in funding women-only services, where that is appropriate.

Fiona Mactaggart (Slough) (Lab): On that matter, has the hon. Gentleman spoken to the Conservative local authorities that are making the exact argument about which he complains, and that are discriminating against groups? The most obvious example in the area that I represent is Southall Black Sisters. Ealing local authority had to be taken to court by that organisation. That revealed the fact that the authority was interpreting the law incorrectly in making the kind of claims that he says local authorities should not make.

Mr. Harper: The hon. Lady supports the point that I am making. I am highlighting the fact that a number of local authorities are giving that reason for doing things. I raised the matter so that I could ask the Minister whether it had been raised with her, and whether the Government had therefore issued any guidance, or thought about issuing guidance, to make the position clear. Having sat through the many days of debate on the Equality Bill, which rolls forward existing legislation and makes new proposals, I do not think that the law precludes organisations from doing what the hon. Lady suggests and what I have mentioned. It would be helpful if that could be clarified.

The Solicitor-General: I am grateful to the hon. Gentleman for raising the issue, and I hope that he will explain to Tory local authorities, as we have to Labour ones, that there is absolutely no bar. What he describes is the complete opposite of what the gender equality duty represents. It has been in force since 2006—it is not part of the new Bill—and it means that services need to be provided for women. Overwhelmingly, as he has acknowledged, the violence that we are talking about is against women; it occurs relatively lightly against men. Of course local authorities need to provide services for the men who need it, but, overwhelmingly, the services need to be specifically for, and almost certainly run by, women, because women do not want to escape from a man and have to talk to another man about it. We are keen for that message to be sent down all possible party lines, and any other kinds of lines.

Mr. Harper: I am grateful to the Minister for that clarification. Given that the gender equality duty is subsumed in the public-sector equality duty, as are one or two other duties, it may be helpful, when the regulations are put together and the guidance that goes with them is drafted, to address the point specifically, in terms, so that there cannot be any doubt about the matter. The subject has now been raised in this debate.

One of the reasons why our strategy document—and, indeed, the Government's—looked across the whole of Government was that, as the End Violence Against Women campaign found, most Departments

"have not...seen the links between their policies and their impact on violence against women."

That is one of the reasons why we want to ensure, as part of our strategy, that there is a single Minister responsible for overseeing progress, across Departments, in taking co-ordinated action on violence against women.

I have already touched briefly on the issue of stabilising the funding base by ensuring that funding for rape crisis centres is moved to a stable, three-year funding cycle. I know from some of the announcements that the Minister for Women and Equality has made that there has been progress on that.

I shall make a couple of specific local points, Mr. Benton, just to give a bit of local flavour, and then draw my remarks to a close. Coincidentally, a few weeks ago—not that long ago—in my county of Gloucestershire, there was a report on BBC Radio Gloucestershire by reporter Faye Hatcher, who had been speaking to Gail Meecham, the manager at the Gloucestershire rape crisis centre. She highlighted some positive news and some less positive news. The positive news was that the sexual assault referral centre, which was opened in October 2008, had been having some success, but the knock-on effect of that success was that referrals to the centre were up 25 per cent. in that one year. That was obviously putting a great deal of pressure on the staff, and made their work challenging.

It was also highlighted—this is worth saying, and I know that the Minister will welcome it—that the centre has a close working relationship with the Gloucestershire constabulary, who take the issue seriously. Their recently retired chief constable, Tim Brain, was involved with the Association of Chief Police Officers on several issues in this area. He was the ACPO lead on prostitution, and was very heavily involved in combating trafficking. I suspect that that is partly why Gloucestershire has a good record on the subject.

Finally on local authorities, I want to put on record that Boris Johnson, the Mayor of London, is providing £1.4 million to establish three new rape crisis centres in partnership with several London local authorities, and he is continuing the funding for the existing centre in Croydon. The four centres, when up and running, will serve the north, south, east and west of London, and I understand that one will be opening in Ealing in the spring.

The Solicitor-General: The hon. Gentleman perhaps has not seen early-day motion 438, which states that the Mayor of London pledged in 2008

[The Solicitor-General]

"to set up four new rape crisis centres in addition to the existing centre in Croydon at... £2.23 million".

It goes on to complain that, in fact, he has broken his word. I believe that it is signed cross-party.

Mr. Harper: The hon. and learned Lady reads out an early-day motion that is not accurate. The Mayor of London is opening the same number of rape crisis centres that he promised. It is true that he is doing it for less money than originally intended, but I would have thought that in the current public finance climate, achieving manifesto commitments at lower cost and with better value for money would, frankly, be welcomed by the public. Governments also ought to welcome it. In this era of tight public finances, given the appalling mess that the party that wins the election will inherit from the Government, we need to ensure that we can protect front-line services and deliver them at lower cost for the people who need them.

In conclusion, we look forward to an interesting debate. There is great interest on both sides of the House. The Minister said that we are talking about an important area of policy, and indeed we are. However, a more joined-up strategy across Departments would help us to combat the problem in future years.

3.9 pm

Lynne Featherstone (Hornsey and Wood Green) (LD): May I say how pleased I am to make a speech under your chairmanship this afternoon, Mr. Benton? As everyone on both sides of the Chamber agrees, this is an extremely important debate. It never ceases to shock me when I look at the statistics that women in this day and age are still so far from equality and still have such a long road to travel. The result is that they suffer violence on a number of levels.

The scale and complexity of the problem is vast, and we have heard some of the statistics. Three million women in Britain experience rape, domestic violence, stalking or other violence, while many millions more are dealing with abuse that they experienced in the past and many incidents are not reported at all. The British crime survey says that 45 per cent. of women will be a victim of domestic violence, sexual victimisation or stalking at least once in their lifetime—that is nearly half of all women. In its publication, "Justice for Rape Victims", the Fawcett Society says:

"Every 34 minutes a rape is reported to the police in the United Kingdom."

As we all know, thousands of women do not come forward, for all sorts of reasons.

Violence against women cannot be a put in a neat box. We have talked about different sorts of violence, such as domestic violence, rape, sexual assault and human trafficking, but I sometimes wonder whether we will ever get to some of the reasons and the imbalances in life that give men—it is generally men—the idea that it is okay to behave towards women in a way that is not acceptable by any measure of a civilised society.

There are a lot of issues around power and control, and they quite often revolve around money. The economic inequality that women face means that it is often impossible for them to get away from a situation because they fear that they will have nothing to exist on. Although there are refuges and centres for those who suffer the worst domestic violence, women often put up with it for so long that things reach a critical point and they cannot get away.

The Solicitor-General and the hon. Member for Forest of Dean (Mr. Harper) mentioned mandatory pay audits. They were the one measure in the Equality Bill that would have brought about a vast step change in equal pay, and it is a great shame that pay audits have been left voluntary. Should there be a change of Government, I fear that mandatory audits might never come to pass and that parity and equality will be set back.

Jo Swinson: My hon. Friend is making an excellent point. Does she share my frustration when I see women in my constituency who, sadly, suffer domestic violence and are forced to go into a refuge? In some cases, that is the best solution, but in others, it is not. However, these women do not have the option of staying in the family home with their children. All too often, the man can stay there, while the lives of the children and the woman are entirely disrupted because they suddenly do not have proper accommodation. It is a huge injustice that the perpetrator of the crime and the violence can effectively get off scot-free, while the lives of the woman and the children are disrupted.

Lynne Featherstone: My hon. Friend makes an excellent intervention. The logic is upside down. In an ideal world, the woman and the children should stay in situ, and the man should be excised.

The Solicitor-General: I agree wholeheartedly. I have even known of situations in which animal welfare bodies—this is commendable—have set up refuges for pets because the women will not leave without them. The woman can take her kids, but she cannot take the dog, and the man is threatening to cut its throat or throw it out of the car on the motorway if the woman and the kids go. If we have got to the stage where we need those refuges, the right thing to do is obviously to keep the dogs, kids and woman in and put the man out.

Lynne Featherstone: I thank the Solicitor-General for that. It would be really interesting to discuss the possibility of using the law to injunct the man and leave the woman in situ. However, the fear that the man would break the injunction or get to the woman has always meant that she has gone to a place of safety. I would be interested to hear what the Solicitor-General thinks might be done in that regard, because the logic is upside down. The best thing for the children and the woman would be to be left in situ, where they have some security and where they know the location and the neighbours and have all the things that give someone a life, rather than to have to flee and live in secret and in hiding.

Lynda Waltho: Is that not the point of the domestic violence protection notices, or the go notices, or have I got that wrong? I thought that they were supposed to protect the woman and her children and, effectively, to evict the perpetrator.

Lynne Featherstone: I thank the hon. Lady for that intervention. I agree, but women's fear in these situations cannot always be overcome by the measures available to them. Often, it is not enough to give women a feeling of

safety for the law simply to say that they should stay somewhere and that no one will be allowed to come near them. However, some analysis would be helpful.

Another issue is education, and as hon. Members have said, sex and relationships education is important. I am going to mention some ideas at the end of my speech—I was pleased that the Solicitor-General said that she would welcome ideas—but perhaps I can mention one now. There is an issue about fathers and role models. In America, they have something called "Dads and Donuts", in which schools invite men in to talk to their offspring on their own. Where families are in conflict, or where there is an injunction or trouble, the men often disappear altogether. Dealing with the issues that arise is not all about the law; it is often about education and trying to imbue people with the responsibility to hand on good behaviour, not bad behaviour, to their offspring.

Domestic violence is the thing that comes to people's minds most often when we talk about these issues. I do not have up-to-date figures on domestic violence, so perhaps the Solicitor-General can help me. The last figures that I was able to find are from 2004, when Walby and Allen said:

> "In any one year, there are 13 million separate incidents of physical violence or threats of violence against women from partners or former partners",

which is a horrific figure. They also said:

> "Domestic violence accounts for between 16 per cent. and one quarter of all recorded violent crime."

Hon. Members have mentioned the "no recourse to public funds" rule. Southall Black Sisters estimates that 600 women a year with insecure immigration status face violence from a spouse. Women who come to me in my surgery in Hornsey and Wood Green are often on a spousal visa and have nowhere to go. I am therefore pleased that the Government recently announced the pilot of the Sojourner project to help women with no recourse to public funds. I welcome this opportunity to ask the Solicitor-General for an update on how the project is going. Do the Government have any initial statistics on the number of women who have accessed the programme? What plans does the Home Office have to make it permanent and available to all women? There is huge anxiety about the fact that it will last only three months. By the time that we have advertised it and got people to take it up, it may already be over.

I also wondered—I have not been able to get any statistics on this so far—how many women in each constituency or borough are turned away from refuges because they have no recourse to public funds and are not eligible under the terms governing the normal availability of refuges. I would be grateful if the Solicitor-General could elucidate that.

As the Solicitor-General said, it is not just women, but children who suffer as a result of domestic violence. Some 750,000 children a year witness domestic violence, and children who live with it are at an increased risk of behavioural problems, emotional trauma and mental health difficulties later in life. I am sure that hon. Members on both sides of the House are looking for ways in which we can cope with such a vast issue, which involves numbers so huge as to be almost unimaginable; and ways to find the resource to tackle all aspects of the problem, and work with children so that they have counselling and appropriate support.

We have heard about some of the very good work that is being done on rape and sexual assault. I want to quote the views of Katherine Rake, the director of the Fawcett Society—or rather, she is not, is she? She has gone from there. My researcher is toast. I cannot remember the lady's name; my apologies. Nevertheless, the view is that women face a postcode lottery when reporting rape to the police.

Mr. Newmark: On that subject, I am obsessed with statistics, as the Solicitor-General realises—and I am sure she will get back to me on a statistic I have given her, which I think came from her office—but it is still the case that only 15 per cent. of serious sexual assaults on women are reported. Notwithstanding the fact that she said that the figure for reported assaults resulting in a conviction has gone up from 5.2 per cent. to 6.5 per cent., that is still a pretty appalling result. Does the hon. Lady agree that we still need to address that issue, encourage women to report assaults more, and ensure an improvement in the conviction rate?

Lynne Featherstone: The hon. Gentleman makes an excellent point. I think that the Solicitor-General agrees that we must encourage women to come forward and report rape, and that our success, such as it is, is minimal in relation to the scale of the challenge. However, I am willing to give him some statistics on conviction rates, in return for his, to show how they vary across the country. In England and Wales, the average conviction rate is 7 per cent. The highest rate is in Cleveland, at 18.1 per cent.

The Solicitor-General: Who is the MP?

Lynne Featherstone: That is cause and effect.

That is a rate of just under one in five. The lowest rate is in Dorset, with 1.6 per cent., where only one in 60 reported rapes leads to conviction. The Metropolitan Police Authority rate is 8.2 per cent. and of 12 police force areas, more than one in four had a rape conviction rate of less than 5 per cent. in 2007. I think that that demonstrates the hon. Gentleman's point that there is a huge challenge to get women to come forward. How on earth, when the number of rapes hovers around the 12,000 mark and the conviction rate is still so low, do we persuade women that it is worth their coming forward when it is so traumatic to do so?

The hon. Member for Stourbridge (Lynda Waltho) described the discomfort for women who have to travel and protect the evidence about something so intimate, private and personal, which they really do not want to do. I cannot imagine how a woman does that, when the first instinct would be to cleanse herself. One of the most difficult situations a woman may face must be the time lag to allow for examination before being able to cleanse that appalling crime from her. Resource is not infinite, and it is a matter of how fast and how much we can improve the conviction rate, and improve facilities.

Mr. Newmark: It goes back to the point that I made to the Solicitor-General, who I hope will correct me when she replies. I suspect that a disincentive to reporting by women is explained in the evidence that I gave her, which is set out in *Hansard* of 31 January 2008, at

[Mr. Newmark]

column 574W. The evidence shows that in England and Wales, the length of rape sentences seems to have been going down from 90.5 months in 2000, which is seven and a half years, to 81.2 months in 2006, which is 6.7 years. If the evidence is that over time the punishment, when it happens, becomes less—and that seems to be the trend—a woman will not feel encouraged to report anything.

Lynne Featherstone: I take the hon. Gentleman's point, but a far more critical issue is the conviction rate. The differential between seven and nine years is a point, but not the point.

Mr. Harper: This raises an interesting point, which the Solicitor-General touched on in her remarks, about the conviction rate following charge, which she said was 59 per cent., and the conviction rate compared with the rate of original reporting of an offence. I think that the Solicitor-General said—I am sure that she will respond on this point in her winding-up speech—that Baroness Stern's review is examining exactly that issue of what happens between the reporting of a rape and the decision whether to charge, and what factors are involved.

I think that the Solicitor-General said that it was only in the context of this offence that there was a tendency to consider the statistics on report and conviction; in most other crimes the statistics used were those relating to charge and conviction. I raise that matter because I do not want women who read the debate to be put off by the percentage of reported rapes that lead to conviction, when the figures for conviction following charge are more encouraging. We shall await Baroness Stern's report to find out in detail what happens in the time between, and to see whether the situation can be improved, although it is important to stick to the principle of fairness in the criminal justice system, which the Minister touched on, as well as Baroness Stern's terms of reference. We shall await the report with interest.

Lynne Featherstone: Yes, I do not want to discourage women in any way. It is important that women come forward when they have been raped, to report it. Baroness Stern's report will be of the utmost importance, because of the difficulty of bringing a charge.

Mr. Newmark: I just wanted to back up the point made by my hon. Friend the Member for Forest of Dean (Mr. Harper). He asked about the reasons, and there is one area that we should perhaps look at more closely. One of the main reasons shown in the recent Crown Prosecution Service report, "Violence Against Women", is non-attendance. There seems to be an increase in the frequency with which women do not turn up. In 2005-06, the figure was 1,593, but that has gone up to 2,226. We need to consider the reasons for women not attending court, and what may be putting them off.

Lynne Featherstone: I suspect that it is not rocket science, and that they need a great deal of support to come to that point in court. There is a raft of reasons, and I expect that they are not difficult to understand.

The other problem with the conviction rate, and even with the charge rate, is that it perpetuates a cycle in which men feel that they probably will not be caught, and will not pay the price, at the other end of the process, for having advanced their desires—because someone was flirtatious, which I believe was something cited in the survey raised by the hon. Member for Forest of Dean.

I want to talk now about the trafficking of women. Home Office research found that up to 1,420 women were trafficked into the UK for sexual exploitation in 1998. That figure was based solely on reported cases. Trafficking in people is understood by the police and organisations that work with victims to be increasing exponentially, because it is extremely profitable, with high demand and little capital outlay, and it is a growing industry, unfortunately. The Metropolitan police estimate that trafficked women forced into prostitution in London see between 20 and 30 men a day.

I believe that the POPPY project is the only dedicated safe house providing specialist support for victims of trafficking. Recent funding by the Government of £3.7 million has led to two new shelters, in Cardiff and Sheffield, I believe, giving another 54 refuge places. However, the need is still greater, and I am greatly concerned about the proposed closure of the Met specialist trafficking unit, which is the only such specialist unit in the country. In my view, this area of work is not something that easily can or should be joined with clubs and vice, and it is particularly difficult and time-consuming.

Why is this happening? As I said, there is a great lack of equality in this country. Women still are, in many situations, not masters of their own destiny and do not have any financial power, or any power, with which to write the script for their own lives. The current level of support for victims is better than it was, but the costs to this country of violence against women, as I understand it from various people who have briefed me, are as follows: the NHS spends about £1.2 billion a year for physical injuries and £176 million for mental health support, yet there is no specialist investment in this kind of NHS service.

The Solicitor-General said that nine more sexual assault referral centres are in development, which is welcome, because they are specialist centres. POPPY, of course, works with trafficked women. The sheer volume and the nature of the statistics speak for themselves. Hon. Members from all parties are trying to grapple with that problem to work out how we can get the resource and permanent support from all the Departments that need to be involved. An integrated, co-ordinated strategy is the only way forward. Only a comprehensive policy that tackles the problem on every front will have a chance of success.

The Solicitor-General asked for ideas, and I am here to offer her a few from the Liberal Democrats. In this respect, our policies include providing more rape crisis centres—up to 15—providing services such as individual counselling, support groups and advocacy; 10 new sexual assault referral centres; early intervention with education by rolling out classes about rights and fair treatment in relationships; working in schools with organisations such as Relate to break the cycle of children growing up in violent relationships; improving systems to report abuse by providing better, more supportive systems in schools and social services, such as those involving health visitors and midwives.

Last night I attended Haringey's overview and scrutiny committee on health and was concerned to discover that there has been a severe reduction in the regularity of visits by health visitors. Although those visits have more to do with birth and developmental checks, the health visitor is the family's and the woman's friend. A health visitor is crucial in this regard, because a woman can talk to her, perhaps without the man present.

We Liberal Democrats want to ensure that women living in refuges can continue to work so that they can stay economically empowered to some degree. We found that only one in 10 of the support services were targeted specifically at ethnic minority women. Issues to do with culture, practice and language make that a specialist subject. We want to provide all women with access to services tackling violence against women, regardless of their immigration status, thereby helping those with no recourse to public funds.

We want to provide a freephone trafficking hotline, allowing women who have been trafficked and are working, or anyone else, to report concerns. This is going to sound terrible, but I went into a local massage parlour in Crouch End, because there was a complaint about the frontage. I thought at first that it was about what was going on inside, but the complaint was about the frontage, which was dirty, boarded up and grubby. The only way to find out about that was to go inside, find out the name and address of the owner and write to them. Inside were two bedraggled, tired, ill-looking girls who were a bit shocked when I walked in, but they eventually trusted me enough to let me in. Their English was not brilliant. I do not know if they were trafficked. I checked the licence and saw that it had run out, although the owner reapplied and succeeded in getting one.

One Lib Dem women's policy is that every licensed massage parlour should have to display a multi-language sign with a phone number for an emergency line for the women working there to call, because they have no contact with the outside world. If such a thing were part of the licensing agreement, that might be a route in. I accept that that is hardly the answer, nevertheless it is a minor but important point. Another of our policies is to end the increasing criminalisation of non-coercive prostitution and increase efforts to help those who wish to exit to do so and find a pathway out of the industry.

I have mentioned mandatory pay audits. Things will not improve until women have some financial parity, know their rights and have the ability and strength to fight against situations in which they find themselves. For them, it seems impossible to get away from such situations, so that in the end their only recourse is to run. I am sure that hon. Members from all parties would wish to improve matters, across all the Departments involved, in respect of all those issues that still keep women subjected to a level of violence that is unacceptable in this day and age. I look forward to hearing contributions to this debate from hon. Members from all parties.

3.35 pm

Mr. Bruce George (Walsall, South) (Lab): If I said that I was delighted to attend this debate, it would be a gross understatement. The number of debates on this subject has been pretty low over the years. In a way, I am delighted that the Government initiated this debate, but I would have much preferred a Member of Parliament to have done so, because we are the ones who are supposed to be scrutinising, commenting and offering our advice, and that has not happened particularly well.

I do not know if any members of the Select Committee on Home Affairs are present, but there are not too many of them if that is so. I am disappointed, because that Committee that produced one of the few reports of violence in the family—most of it on one aspect.

I do not wish to spend too much time on history, but history is important. A couple of hon. Members present go back a long way on the staff side—not of the present Government but the last one—and almost as long as several of us have been here in the House.

Mr. Greenway: The hon. Gentleman mentions the Home Affairs Committee. I am interested in this issue as a member of that Committee in the 1987-92 Session. We produced its first report on domestic violence in many years and a lot of progress has been made from those recommendations. He is right, however: I too thought that many more colleagues would have attended today.

Mr. George: I do not want to trump the hon. Gentleman, but I want to talk about the first Select Committee dealing with this matter, before the modern, new Select Committee system was established. In 1975, I tabled a question and, for my pains, I was put on the Select Committee on Violence in the Family—an experience that I found truly amazing. In five months we held 23 meetings, heard evidence from eight Ministers—most of them pretty useless—received memorandums from 50 individuals and groups and heard evidence from a High Court judge, which was pretty unusual. We worked hard and finished that inquiry, which created quite a stir. Then we moved on to violence against children in the family, following the terrible death of Maria Colwell.

We saw, in those early days, the relationship between two major aspects of policy. I am pleased to see that, as time has gone on, there has been a greater awareness that one cannot regard a single area of policy as divorced from so many other areas of policy. There has to be a degree of integration, not just co-operation. Where is the dividing line between violence in the family and violence against women? The mistake we made in our report was calling it, "Violence in the family". As time has gone on, ever more violence has taken place outside marriage and that matter is now being dealt with far better.

We produced pretty influential reports. We received one letter from an irate constituent of somebody or other who complained and asked, "Why are you focusing entirely on violence against females? My wife is violent and she's beating me up regularly, so please include in your analysis a little bit about violence the other way round." With the passage of time, that is becoming rather more common. We started the ball rolling, and that was important.

I shall show the attitude at that time, before the present enlightened era. In our first report we said:

"a general impression must be recorded at the outset. We have been disappointed and alarmed by the ignorance and the apparent apathy of some Government Departments and individual Ministers towards the extent of marital violence. Hardly any worthwhile research into either causes or remedies has been"

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provided. Responsibility is diversified

"between many Government Departments. No fewer than seven"

appeared before us. Our report concluded:

"Only in a very few of these Departments does the problem of marital violence receive anything other than a very low priority either in terms of manpower or financial resources."

I do not think the situation is remotely like that now; if I said that it was, I would be punched on the nose, and deservedly so. With the benefit of hindsight, we can see that there have been substantial changes.

Our report made a number of recommendations, and I hope that the Minister will consider them. We are still waiting for some of them to be implemented, which is par for the course for Select Committee reports. We recommended that more work be done in schools to break the cycle of violence—that recommendation was made almost 30 years ago. We said other things which may have become inappropriate with the passage of time, but some of our proposals remain relevant. Most members of the Committee are now dead, and I am sure that the civil servants are, but perhaps someone should read those two reports. They show that it was not the new system in 1989 that inaugurated competent Select Committees.

The absence so far of any discussion of the world outside is evidence of our indifference to the fact that other countries have domestic violence problems. Some have fewer problems and some infinitely more. I looked to see what international organisations have taken the lead and whether their words, resolutions and documents are relevant. They include the United Nations, the European Union, the Council of Europe, the Parliamentary Assembly of the Council of Europe, the Organisation for Security and Co-operation in Europe, and the OSCE Parliamentary Assembly. There has been an enormous output of recommendations and rules—almost treaties—imploring people and insisting that Governments do more. Many have, and have been inspirational, but probably half the countries in the world could not give a toss what any such document contains, especially those where violence and warfare are occurring and where rape is almost seen as a perk—a supplement to the low income paid to those who fight. Laws are not enforced, and there may not even be any laws to be enforced. We should see our major problems in perspective. I hope that more influence can be projected into those countries that are totally indifferent to implement the legal treaties they have signed, at least to some extent. Domestic violence is international; it always has been and I fear that it will remain so for a long time, unless more influence can be exerted on countries to eliminate any freedom that men, whether soldiers or civilians, feel they have to commit it. Thankfully, some countries are bucking that trend.

We have not spoken much about percentages, because we all know that they are pretty worthless. I hope that you will not rule me out of order, Mr. Benton, but in a moment of frivolity, although this is not a frivolous matter, I worked out that if 4 per cent. of males commit acts of violence in the family, 23 Members of Parliament—in the past, of course; no-one here would be guilty of that abhorrent activity—and 7.5 women would have done so. I am not a statistician, but someone may be able to have a stab at providing figures to show that it is feasible that Members of Parliament, former MPs or prospective parliamentary candidates may have a few shadows that they want to hide. That is how close the problem is. It is not a problem of class, nationality or residence here; it is a problem that exists and we have not done enough about it, although much more is being done.

Fast-forwarding from 1975 to the present, there has been a massive outpouring of literature from novelists, serious writers, non-governmental organisations and think-tanks. Although some people may disagree, the issues are debated more, and more people are aware of them. There has been a huge increase in NGO co-operation, and it is immensely valuable. Departments are not as ignorant of the issues as they used to be. Instead of having no Minister responsible for the matter, we now have a large group of Ministers from different Departments. Although some outsiders would dissent from my view that there is more sophistication among civil servants, the evidence in 1975 was laughable.

When we had the follow-on investigation into violence against children, Barbara Castle was the Minister. She was venerated, but she was more of a big ideas person and her knowledge of detail was slight. It was profoundly disappointing to see one of my icons perform so miserably and badly. She was given a bad time by the then Chairman, Willie Hamilton. I jumped in to rescue her four times, and I was irritated when I read her autobiography to see that the abusive words that I am sure she had intended for the Chairman were directed at me. Unfortunately, she had expired, so I could not obtain retribution for the terrible slur.

There have been directives from the Government, and the wonderful Library briefing gives a summary of the steps that the Government have undertaken to protect people from domestic violence since 1997. It is a long list. Some hon. Members may say that it is one thing to pass laws and to publish documents, but where is the beef? The evidence is reasonably strong, and my view is that the Government's endeavours have been valiant and largely successful, but others disagree.

Looking through the literature, the Select Committee on Home Affairs was partly supportive and partly critical. NGOs and Victim Support were critical—one would expect that from an NGO—but also complimentary. Refuge was welcoming but disappointed. The Minister commented on one, but I do not have time to list the complaints. A report to which I hope the Minister will respond is from the NGO End Violence Against Women, and was launched by Mr. Phillips. The Minister defended the Government's view. There were some powerful arguments and my hon. and learned Friend rehearsed them.

The map produced was almost entirely blank. According to the criteria, there were 13 cities and towns involved, including my home town of Walsall, but the report did not say what was going on elsewhere. If someone is lucky enough to live in my area, there is an excellent service. If they are not, however, they will have to travel a long way—if they are from Scotland, it will be an excessively long day. Looking at the map and the blanks, I was amazed at how many big cities are bereft of what the organisation would consider to be a minimal provision. There have been criticisms, but it is important to recognise that enormous reforms have been made.

The last part of my presentation is about my constituency. I have been critical of much that does or does not go on in my constituency which, alongside that of my hon. Friend the Member for Walsall, North (Mr. Winnick), has a pretty high poverty rate. I do not suggest that the poorer someone is, the more likely they are to thump their spouse. However, I am pleased that there is a good service in my constituency. It is getting better, and in my view it is the epicentre of a set of fairly integrated structures. When the Minister visits other areas looking for best practice, I hope that she will come to my area and visit the Walsall Domestic Violence Forum, which is absolutely superb.

In fairness to the local authority, there is a network of structures that includes voluntary organisations, elements of the health service, the police and an excellent public protection unit—the list is long. Those are brought together into a framework that makes co-operation relatively easy. I have been to almost all of those organisations, and to the refuges—I am sorry if I have left any out—and I have been deeply impressed. My hon. Friend the Member for Stourbridge (Lynda Waltho) looks green with envy, but her constituency attracts all our people to its shopping precincts, so it benefits in both ways.

In its annual report, the Domestic Violence Forum states:

"We have a number of dedicated services to provide support, advice and information to people experiencing domestic abuse. These include two 24 hour help-lines to meet the needs of service-users from a diverse community. These services are widely promoted via regular advertising in local media and the distribution of leaflets to a wide range of places accessed by the public including; medical surgeries and centres, police stations, housing and social care offices, community and leisure centres etc. We also provide various modules of training in domestic abuse and related issues. This serves to raise awareness of professional and community members, allowing them to respond appropriately and effectively to their service users. Walsall Domestic Violence Forum brings together professionals from across the range of organisations working with people affected by domestic abuse. These include representatives from police, probation, social care, housing, health and voluntary sector (Victim Support, Relate, Citizens Advice Bureau etc). This multi-agency partnership has now produced a second three-year strategy to reduce domestic abuse having successfully met, or exceeded, all targets as set in the initial strategy produced in 2000. Our Crisis Intervention Service is in place to reduce sickness and distress in victims of domestic abuse following an incident."

It has 60 trained and experienced staff who do incredibly good work, so there is a relatively good side to the situation—it is something that we do well. If anybody has listened to the debate or reads about it, I would willingly pass on material to show what a good operation is.

The people who lead the forum are scintillating. I have helped them on a number of occasions and defended them from those on the council who do not have the same attitude towards that sort of service. The organisation is able to earn money by providing classes, and it has received money from the national lottery in the past. The Equality and Human Rights Commission has helped, and the organisation also provides services for social services. When money comes in, the Government push a large sum the way of related organisations in many parts of the country. However, what irritates me—and I would welcome a comment or a letter from the Minister on this—is that because the Government want to decentralise decision making, the decision on how that money is spent is left to the local authority. Therefore the money is not ring-fenced as it should be, but is at the mercy of the council. Some of those people are decent but others—and in the past, officers of the local authority—have been decidedly unhelpful.

Lynda Waltho: Is my right hon. Friend as worried as I am, representing a west midlands constituency, that Dudley council has just published its budget proposals which involve the loss of about 1,000 jobs and cuts to all sorts of departments in a drive to have the lowest council tax in the black country, no doubt vying with my right hon. Friend's local authority? Many services fear that they will be cut first. Unfortunately, and particularly with Tory Dudley council, such cuts are always made at the vulnerable end, in services to elderly people, very young people or, as in this case, aid for women.

Mr. George: I share my hon. Friend's views. I have tried not to be too partisan because this should not be a partisan political issue. Protecting the lives of a vast number of constituents and non-constituents should be top of the list. I understand why a local authority that is strapped for cash might think, "Are we going to spend the money on closed-circuit television or anti-drugs policy and so on?" It is difficult. The local authority is arguing, "Look at all the money that this organisation has got, and all the women who work for nothing." Three years ago, that organisation received £150,000, but that has gradually diminished and it is now hoping for £75,000. If we cut its income from the local authority, that will mean that it is being punished for its success.

Most of my hon. Friends will not have the luxury of such a good service, but even though it is good, there are a vast number of women—and some men—who need assistance. I am not suggesting that people are washing their hands by providing less funding than they should. There was a debate in the council last week, and the resolution was incredibly moderate. It was not meant to inflame, but it was rejected. I know that money is tight, but such causes are important. The great advantage to the council of that wonderful organisation is that its wage rates are lower than those for local authority personnel. The people involved are largely women. When the money is cut below the level of their capability, those who are not being paid will not desert. They will hang on in there, because they do not want to turn people away. That is so commendable. I am proud of them: they are searching for work at a time when most people are trying to diminish the work that they do because they are having difficulty in coping with the increase.

I will not bore hon. Members, but I know, because I have seen all the statistics, of the increase in violence against spouses in the past 12 months. That has taken place for patently obvious reasons. When there is strife and people go out to celebrate or not celebrate their lifestyle, the women face it when they get back. In the past, it might have been seen as part of the normal cycle of marriage that the woman gets hammered every weekend. In some people's cases, that has not changed.

I am not criticising my local authority to a great extent. I say to the Minister that a slight diversion en route to the north might be worth while. Do not let the

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Walsall Domestic Violence Forum be written out as an afterthought. The local authority is functioning reasonably well and among all the statutory authorities, central Government, local government and the non-governmental organisations, there is a degree of integration. I do not want it to expand to an absurd level, as though it is the finest bureaucracy in the world, but in this sphere, it is well led by women, as opposed to a pretty appalling guy in the local authority previously. Things are going really well. However, Walsall should not think that because things are going well, we can now let up. I am sorry for the others, but I am paid to represent my own constituency and I want to protect it at a time when funding is very difficult.

I am sorry that I have gone on for so long. I visit the Walsall Domestic Violence Forum every two months. My assistant is the deputy chairman. I fight for the organisation and assist it and I am pleased to do that. Not all men are male chauvinist pigs. I must say that a slight majority of men have attended this debate, but as women are hopelessly outnumbered in Parliament, I am sure that they will tell me that in reality they are the more numerous.

4.3 pm

Mr. John Greenway (Ryedale) (Con): Like the right hon. Member for Walsall, South (Mr. George), I welcome the debate. It is on a very important subject and, like him, I am disappointed that more hon. Members are not present. I want to take the opportunity to draw attention to the work of the Council of Europe Parliamentary Assembly and, in particular, its migration committee, to which the right hon. Gentleman referred.

Only four weeks ago, I took part in a two-day seminar in Paris on migration and violence against women. That was a joint event, structured by the Inter-Parliamentary Union and the Parliamentary Assembly and our migration committee, with strong input and support from the United Nations committee on the elimination of discrimination against women—CEDAW—of which our Government are a member.

I begin by reflecting on my time in the police more than 40 years ago. In those days, there was a general presumption that the issue was not a police matter. I would not go quite so far as to say, in the way that the right hon. Gentleman did, that women had to "face it", but to the extent that there was training, it said that, unless the violence was extremely serious, it was best to keep out; the attitude was "Let the people sort it out themselves."

Fiona Mactaggart: Does the hon. Gentleman agree that the recent Independent Police Complaints Commission report on John Worboys, the serial rapist in London, implies that that attitude still exists in the police, even among some specialist police officers?

Mr. Greenway: That may be true. It is not the conclusion that I drew from the IPCC report. What I drew from that was the sense that there had been a clear dereliction of duty on the part of the officers involved. There were inquiries that they could and should have followed up. However, I share the hon. Lady's disgust at what happened to the 40 or so women who were subsequently assaulted and raped by Worboys. It was not one of the best days in the Metropolitan police's history, and I share some of the shame.

The Solicitor-General: The hon. Gentleman is generous for giving way so early in his speech. My lesson from that is a slightly ironic one: I doubt whether, in the days when he was in the police, those officers would have been disciplined at all for not taking sufficient notice of women complaining, as opposed to not taking sufficient notice of a black cab driver saying that he was not guilty.

The other point that I want to raise with the hon. Gentleman is that it is increasingly important that we should emphasise the extent to which rape is becoming ever more clearly a serial offence. Many rapists are serial offenders. Women should be encouraged to see the issue in that light, and police should see it in that light, so that everyone collaborates to ensure that it is not just the individual who is at stake. She, and the police, should understand that there is a duty for the future.

Mr. Greenway: I am glad that I gave way to the hon. and learned Lady, because I agree with her completely, but I want to move on and make a lot of other points.

I sensed that even in my time in the police—I left at Christmas 1969—attitudes were beginning to change. There was a sense in which it was simply not acceptable for women to be beaten up and abused by men, even within the family. When I came to the House in 1987, I was put on the Home Affairs Committee, in my first Parliament, as I said in an intervention on the right hon. Member for Walsall, South. Under the chairmanship of Sir John Wheeler, we produced a detailed report on domestic violence. Many of our recommendations became policy, and I think that we changed opinion, even among parliamentarians, on the fact that the subject needed greater focus and impetus from Government.

I particularly remember visiting places of safety, refuges. The hon. and learned Lady referred to the fact that such places are now a central pillar of policy; I welcome that. We must restate strongly this afternoon that violence against women in all its forms is unacceptable, and there can be no possible excuse. It is a very grave violation of human rights, and cultural relativism should not be invoked to justify the actions of some men.

The Council of Europe as a whole dedicated three years, from 2006 to 2008, to a campaign aimed at combating violence against women across all 47 member countries. The campaign highlighted the need to protect victims, to prosecute offenders and to prevent violence. There is even a handbook for parliamentarians, a key feature of which is to remind parliamentarians in all countries that all women living within their territories should have access to law, should have relevant victim protection and should have rehabilitation facilities available to them.

In both the committee on equal opportunities for women and men and the migration committee, work on that issue is ongoing. It is never off the agenda. One report is followed by another. We have just completed a report, adopted by the Assembly in September, entitled "Migrant women: at particular risk from domestic violence". After the part-session next week in Strasbourg, I expect to begin a report on the rights of women migrant workers. I shall come to that in a moment.

The right hon. Member for Walsall, South, is right to say that although many recommendations are made, many reports have been written and many great ideas have been promulgated, not all of them have been taken up with the enthusiasm one would have liked. However, I would caution him that many aspects of the subject have been taken up by the Government. When we keep pushing at the door, attitudes begin to change.

The focus for the migration committee, understandably, is on migrant women and discrimination on grounds of gender and origin. Half of migrants are women, and they are at particular risk of violence. They are often confronted with language barriers, insecurity of status, family pressures, religious and cultural attitudes, and isolation with limited access to help. Psychological violence and exploitation are also often encountered in the workplace. Women are given jobs of drudgery.

There is also sexual exploitation; and, of course, there is sexual human trafficking, to which others have referred. According to the latest figure available to our committee, the industry of trafficking women for sexual exploitation is currently worth £32 billion across the whole of Europe; that includes not only the EU, but eastern European countries outside it. That is a shocking figure. It shows the scale of what confronts us. Other forms of violence against migrant women include so-called honour crimes, female genital mutilation—the Government rightly legislated on that recently—forced marriages, and rape, including rape within families and communities.

The Parliamentary Assembly migration committee has long called for a Council of Europe convention on violence against women. We need to embrace action on all the aspects that I mentioned, and I am glad that there is now general agreement that the convention should be taken forward. I hope that the Government will be extremely active, through the CDMG—the intergovernmental migration committee—in making that a reality.

As I said, the needs of migrant women are especially important. We should not underestimate the real gravity of the problem. Migrant women often originate from countries where there is a strong patriarchal family structure, in which cultural and religious conventions often treat women and girls adversely. Women are often resigned to violence and abuse, especially if it is the tradition in their host country.

Other features of the experiences of migrant women can have a very negative impact. Divorce and separation can result in the women having no status. The bad experience of migration itself, which puts families under pressure, especially if they are in an irregular situation, can be the cause of violence against the woman in the home. Women feel a great sense of shame, often based on tradition, when it comes to reporting what has happened to them. Their rights are seldom understood. Women with no individual migrant status are frightened to seek help.

As regards people in migrant and multi-ethnic communities, even in our own country, talk of prevention is futile unless efforts are made to integrate those women into their communities. That is a route towards inclusion, which reduces isolation and the risk of violence. Migrant women may have young children who were born in the host country who have no status themselves, and who suffer violence. Migrants with irregular status live constantly in fear of deportation.

I am glad that the convention on trafficking, which the Government now enthusiastically support, is firmly understood. I say to the right hon. Member for Walsall, South, that that is an example of the Council of Europe at work. I remember that three, or three and a half, years ago we pushed hard for that convention. The original response, not only from the Government but from our parties and the body politic, was, "Ah, yes, but this will just attract more of them to this country"—all the usual responses. The perceived wisdom now is that these women deserve help and support. We continue to change attitudes. Lack of access to interpretation or language training is also a frequent difficulty.

On women who are concerned or frightened about reporting because of their status, our understanding is that the United Kingdom domestic violence rule of 2002 has enabled abused women to stay here in their own right on production of evidence. It is most important that such measures be supported, approved and adopted, and that we see the consolidation of such measures in other countries.

Women need empowerment. We need to consolidate their role in society. I could give many examples. When travelling in Europe on Parliamentary Assembly business, I have been in countries where one can sense that the women are treated very badly and have little status. It is different in other places. I was in Azerbaijan in May visiting refugees, although they are in-country displaced people from Nagorno-Karabakh. I was allowed to see the matriarch there; she was a powerful woman. Much of the problem is cultural, but there is much that we could do in taking a lead.

To make progress will require a significant improvement in the status of migrant women. Eventually, we will have to recognise that women need a status independent of their spouse. I accept that these are challenging concepts, but I believe that we must take primarily a human rights approach to change. That is the key to political action and the vehicle to overcoming cultural and religious barriers. Human rights primacy means that violence is not acceptable in any way. The rights of the perpetrator must never supersede the rights of women to protection from violence, but we know of instances, particularly in other countries, where that has not always been the case.

We can never overstress the importance of transnational dialogue and the development and implementation of international instruments and conventions. I accept that that may be a subject for another day, but there is considerable room for improvement. Legal instruments must translate into a guarantee of protected rights for women. We must make more of our membership of CEDAW. As a country, we should take a bigger role and a bigger lead in the various UN and Council of Europe committees. We have made much progress in this country, and I sense that our experience could be invaluable to women in other countries.

I return to the generality of the subject. Much progress has been made in the past 40 or 50 years, but there is much more to do. Yes, of course we need a strong criminal justice system. However, attitudinal change is not yet complete. In particular, among the younger generation, there does not seem to be the attitude that we want across that whole generation. That aspect, too, was referred to earlier. It is not acceptable to abuse or exploit women with impunity.

[Mr. Greenway]

One of my colleagues on the Council of Europe, Mr. Mendes Bota from Portugal, will chair the equal opportunities committee, and I hope to become chairman of the migration committee next week, when all the chairmanships change. He made a telling point. He said that the trouble may be that all our efforts to deal with the problem of violence against women are reactive—that everything we do is largely reactive. The priority should be education. He said that, at the pre-primary level, in many elements of society there is no mutual respect. We need to change that attitude, culture and behaviour and focus on what is socially responsible and acceptable. If we can resolve the issue for future generations through attitudinal change, there will be a huge prize, in terms of health, family breakdown figures and social and economic costs.

Furthermore, more men need to be involved in pursuing the subject. I was delighted to see that at one point there were five men participating in this debate. There are still four of us, and I am not including the Whip and you, Mr. Benton, in the Chair. We need genuine equality—not equality as an end in itself, but equality that reflects a society that is based entirely on mutual respect.

4.20 pm

Lynda Waltho (Stourbridge) (Lab): I am grateful for the opportunity to speak in this debate on violence against women. I want to concentrate on domestic violence, which is an issue that I was involved with when I was a student, helping out at a refuge in Stoke-on-Trent, and then later as a teacher and MP. I am delighted to see so many Members here, given the low-level Whip on the rest of the business today, as it shows how many of us are dedicated to addressing this most vile of crimes and to improving the dire circumstances in which so many women and children find themselves.

We are all aware of the horrifying statistics. Although two lives a week is the often quoted figure, it is nice—if that is the right word—to be able to say that it is around one death a week, which reflects some improvement, but it needs to be zero. We all have to remember that domestic violence accounts for about a quarter of all recorded violent crime in England and Wales. Statistics such as that remind us how vital, long overdue and desperately needed Government action to tackle this issue has been.

I am proud to have been able to vote on some of the legislation. Although I welcome the new measures and the funding to support victims, it is by no means an indication that we can rest on our laurels. Legislation to punish offenders and support victims—although welcome—is not enough. The root causes of violence in the home must be addressed, and as the hon. Member for Ryedale (Mr. Greenway) said, the general attitude towards domestic violence must be changed in the community. We still need to do work within the legal profession and, sadly, within the police force.

Late last year, I had the experience of hosting Hollywood star Reese Witherspoon on her visit to the House of Commons. She was representing Avon Cosmetics in its international campaign to eliminate domestic violence, which was also backed by Refuge. It is an interesting concept because many Avon representatives go into women's homes, and it is seen to be a way of connecting with women and informing them. Moreover, it is a place in which women can meet, which is a good place to start. It also offers a safe way for women to confide in others or receive advice. I am happy to continue to support that programme.

During the event, I had the privilege of meeting the accomplished journalist, Wendy Turner Webster. She eloquently and movingly spoke about the effects of domestic violence on her own life. She is an intelligent, articulate and bright woman, but she still felt trapped in a situation about which she could do nothing. I could see that the experience was still painful to her. She described the destruction of her character during the many years of her first marriage.

Tragically, Wendy Turner Webster's story is echoed day in, day out in each of our constituencies, which is why the measures that we have introduced must not be undermined by intermittent funding or local cuts to vital support services. We must be aware that, despite the great advances, provision is still patchy in places. More worryingly, there is a lack of co-ordination across the services, so victims may experience a postcode lottery when they try to access help.

I want to illustrate the pathway that a domestic violence victim in Stourbridge may have to walk. If she is brave enough to report her situation or somebody does so on her behalf, she may, if she is lucky, get referred to one of the two workers who are based at Dudley Victim Support unit. We have a population of about 320,000 in the Dudley borough, but there are only two designated workers. The primary care trust employs one person, who effectively mans a telephone and does a bit of counselling, for 20 hours a week. One worker from Sandwell Women's Aid, with whom I have worked, said of the service, "Good luck if you can get an answer," not because the workers are lazy or turning people away, but because they physically cannot attend to the women who are trying to get help. Quite simply, they are overwhelmed. They have to prioritise victims, and it is only those who have suffered repeated incidents that go forward to the MARAC system. If we need to wait for three or four batterings before we can help someone, thousands of women will experience their first, second and third beating without being helped. I find that very distressing.

When I have come across cases, I often find that I take the details home with me. It is only with the assistance of the Walsall SARC group and Sandwell Women's Aid, which is in the neighbouring authority, that we can sometimes get things done. Some victims are lucky and manage to get in touch with Sandwell Women's Aid in the neighbouring borough, but they are few and far between. The focus on domestic violence in Dudley is poor. The Solicitor-General was invited to the midlands, and it is right that she should go and see the wonderful service that Walsall offers, but she should then come and see us, because there is quite a comparison to make.

Interestingly, the status of domestic violence within the local crime and disorder reduction partnership is quite low and is dangerously close to being non-compliant with things such as gender duty and the cross-Government action plan. Councillor Judy Foster, who is vice-chair of the West Midlands police authority, said:

"Though recent figures show that Dudley has a low crime rate compared to the rest of the West Midlands the figures for domestic violence are surprisingly high...and...prosecutions are low"

To add insult literally to injury, victims of domestic violence are not given sufficient priority for rehousing.

To cite a case, a lady whom I will call Miss T suffered years of violence from her partner that stopped only when he was convicted and sentenced for rape and a beating in their own home so severe that she suffered a stroke as well as broken bones and ruptured organs. She first came to see me at the end of 2007. Despite pleading and attempts to work with the local authority to rehouse her, she has been forced to live all that time in the same home, which holds such traumatic memories for her that she cannot even go upstairs to the room where it happened and lives in half the house. To use her words when she last came to see me, "Mrs. Waltho, if you had an accident in your car in which you were seriously injured, would you keep returning to the scene?" That is what she must do every day.

She has also been forced to enter Dudley's online bidding programme for a new home. She never gets to the top of the list, because officially she is adequately housed, but of course the authority managed without a problem to house her partner when he came out of jail. That is how dire the situation can be when things do not connect. The Minister must agree that that is not right.

We need to be vigilant about the wider package of support available—or, in this case, not available—to victims. We need to do all that we can to ensure that the good work done in the area is not undermined by a lack of cohesion between the wider authority services or, even worse, funding cuts. The workers at Sandwell Women's Aid do a great job, but much of their time is taken up by applying constantly for new pots of money, negotiating contracts and services and their service agreement. They need to be freed up to do the work that they were trained to do.

We must also be aware that the views of the public—and still, sadly, some in the legal profession—need to be questioned. My local paper, the *Stourbridge News*, reported on a particularly nasty domestic violence case:

"An emotional plea from a Stourbridge domestic abuse victim spared her partner from jail for a brutal attack. Jon Bennett, from The Broadway, head butted and repeatedly punched Natalie Wilkes, the mother of his three children, after returning home drunk on the night she expected to be taken out to celebrate her birthday. The 33-year-old also armed himself with a bread knife after dragging her downstairs at their home and threatened to kill her...Judge Michael Dudley told Wilkes he was only able to allow him to keep his freedom because of what he described as a 'compelling' letter from his partner asking him for mercy. The Judge said: 'I am able to do this because of the compelling letter written by your partner in which she makes it clear she wants to make a go of the relationship. It will resume in the course of time if you are sensible and I sincerely hope and trust that you keep out of trouble.'...Edward Soulsby, prosecuting, told the court that Bennett also broke Miss Wilkes' mobile telephone against a wall, smashed the house phone and broke a fish tank flooding their home with water. The couple had lived together for seven years and they have three daughters aged five and two and a baby who was just one month old at the time".

It is hard to imagine that such actions could not lead to an immediate custodial sentence. I find it difficult to reconcile all the measures that we have put in place with what comes out at the end. There is much work to do with all the other support services to make things work properly for victims of abuse.

The Solicitor-General: That is a telling story. One thing that one would want to know is why she decided to write the letter. Who knows? Did anybody consider that important question?

Lynda Waltho: Indeed. I think that that is obvious. I had hoped that that everybody would come to that conclusion, because that is the one that I came to. If she lacks support, it is possible that she was coerced by the family or even her partner into writing it. Without resources behind her, she would never proceed. It is about knitting together, or the whole thing could fall down. It is certainly falling down in Dudley. That is not to say that there are not lots of people and organisations working, but they do not seem to be pulling together properly. There are so many holes that women can fall down along the pathway.

Only seven years ago, in 2003, just 46 per cent. of domestic violence convictions resulted in a custodial sentence. By 2007, according to the national crime survey, it had risen to 72 per cent. It is getting better overall, but it is not working as well as it can or should in Dudley.

4.35 pm

Sitting suspended for Divisions in the House.

4.56 pm

On resuming—

Mr. Joe Benton (in the Chair): Just to clarify, we will now continue until 5.51 pm.

Lynda Waltho: I was talking about the increase in custodial sentences. That increase is, in no small part, because of the Domestic Violence, Crime and Victims Act 2004 and the various initiatives that have followed. The chief executive of Refuge, Sandra Horley, has said:

"The new legislation gives a clear and strong message to perpetrators and society at large that domestic violence is both unacceptable and criminal."

The measures in that Act were the genesis of many of the pragmatic steps that the Government have proposed, including the introduction of the domestic violence courts—the Minister referred to those earlier—independent advocacy, the multi-agency risk assessment conferences and a real focus nationally on the issue.

Characteristically, it seems that the Government are responding to further advice from victims and experts alike to enact legislation that offers enhanced protection from domestic violence. That has involved true heroes of the domestic violence movement, such as Sara Ward from Sandwell Women's Aid, who is responsible for supporting victims of domestic and sexual violence in my constituency, albeit not in Sandwell.

Recent measures should be welcomed by all parties. As we mentioned earlier, the domestic violence protection notices—or "go" notices—offer a protection for domestic violence from forced eviction at the hands of the perpetrator, which is something we should applaud. However, I understand that some victims feel that is not a safe enough vehicle to protect them at home.

[Lynda Waltho]

The "go" notices will provide a previously unrealised protection for spousal victims of domestic violence, but I hope that the Minister will be able to offer some reassurances that they will protect not just the spouses, who are among the most prominent victims of domestic violence, but the hidden victims of domestic violence: the children.

The Home Office defines domestic violence as

"Any incident of threatening behaviour, violence or abuse (psychological, physical, sexual, financial or emotional) between adults who are or have been intimate partners or family members, regardless of gender or sexuality."

That is undoubtedly the case, but I am sure the Government will want to do more to ensure that the impact on the children of those adults is considered in any measures. The Government have also committed to holding an annual debate on domestic violence—a move that is welcomed by leading domestic violence charities. Such moves have come from listening to the real experts in that difficult field, those who suffer from domestic violence and those who have to deal with it.

I would be grateful to hear from my hon. and learned Friend what further steps the Government will take to ensure that victims and stakeholders in the third sector who operate in that sphere will continue to play a leading role in developing Government policy on the topic, and perhaps even have an enhanced role. Surely, it is by proving that we value and can work in successful partnership with such experts in the prevention of domestic violence that we will make real progress in the fight against it. We must see where we can learn from their expertise and match their desire to fight domestic violence by using the will and machinery of Government.

I know that many right hon. and hon. Members have valid contributions to make, but before ending my speech I would like to underline an issue that is extremely important to constituents I have talked with, campaigners and domestic violence charities: sustainable funding. I have spoken many times in the House and will continue to do so about the pressing need for sustainable funding for those groups to provide help for victims, particularly of sexual crimes. Although I am unable to speak at length on that matter today, it is important stress how that situation is mirrored in the cause of fighting domestic violence. I would be grateful for reassurances from the Government that, as soon as possible, funding for domestic violence will be ring-fenced and sustained in the long term.

C.S. Lewis said:

"We all want progress, but if you're on the wrong road, progress may mean doing an about-turn".

Today there is no need for the Government to do an about-turn, because they are, I am convinced, going in the right direction on the long road to eradicating domestic violence. However, we can always do more, and I hope that the Government will bring forward further legislation that will enable us to do so.

It is well known in this place that there is a void in spending plans and no clarification on where cuts might fall, particularly from the Opposition—apparently that is matched by a void in coherent policy on how they would tackle domestic violence. A date-ordered search on their website reveals that the last time they published any strategy was in 2008, as the hon. Member for Forest of Dean (Mr. Harper) revealed, which was 13 months ago. He indicated that many of their strategy's suggestions have become Government policy, so I think that women all over the country have the right to ask, "What next?" The gap seems a clear demonstration of how the Opposition might let the issue of domestic violence lie again. I hope that my hon. and learned Friend the Solicitor-General can demonstrate how the Government will do the opposite and continue to be tireless in their fight against domestic violence and, wherever possible, preserve and protect the funding with which to do so.

5.3 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I would be grateful for your guidance, Mr. Benton, on when Members are to give way for those on the Front Benches to make their final contributions.

It is apt that we hold this debate in the wake of the Second Reading of the Crime and Security Bill on Monday and the most welcome review of the family justice system announced yesterday by written statement. Ministers are to be congratulated on those two initiatives, the latter of which is an example of joined-up Government from two Departments. The statement from the two Secretaries of State is evidence of the wider repercussions that violence against women can have, particularly in the domestic context. It is on those aspects of domestic violence that I wish to focus my remarks.

When considering what support must be in place for victims of domestic violence, it is necessary to understand the pervasive nature of the crime for the victims. Victims are forced to carry their abuse with them. It is impossible to escape. Abuse happens in the home, in public and at work, and it stalks the victim throughout the day, whether the perpetrator is absent or not. The abuse does not end when the violence stops, but continues as a psychological torment. Depressive illness frequently follows. There is a fear of others' questions, of letting the carefully constructed semblance of normality slip and of the consequences of allowing the secret out. Then there is the ever-present fear, whether alone or in a crowd, of returning home to the abuser, perhaps an abuser who abuses in front of the children.

It is also true that abuse might not be limited to one assailant, but be perpetrated by several of the victim's close relatives, and perhaps against the victim's other close family members as well. Recourse to police intervention can come after an extended period of domestic violence. The perpetrator might come from a family environment where violence and intimidation in the home is one of the primary means of communication. That problem hints at the need for a broad menu of public policy solutions involving early intervention and support for all parties involved, and that is something I want to emphasise in my short speech, bearing in mind that another important contributor to the debate is yet to speak.

We need to accelerate the timing of intervention. It can be distressing for a family to see a relative exhibiting regressive tantrum-like behaviour normally exhibited in younger children. That can involve self-abuse, public exhibitionist self-abasement and public violence to fellow family members. That can cause trauma for partners and extended family members such that that they too are victims. Dr. Keren Skegg has done good work in that area.

Before taking recourse to the authorities, the victim of domestic violence might have faced a daily litany of violent abuse, physical force, false imprisonment, denial of funds for food for both them and their children, intimidation, threats to family pets, which the Minister mentioned, physical injury from the use of domestic items or even traumatisation through the erratic misuse of road vehicles to physically intimidate. The panoply of means of violence and abuse are frighteningly extensive, and ease of recourse to support for women who want to care for those whom they love, but at whose hands they suffer, is a much-needed reform. There is much that is done well in Europe in that regard, but I will probably not have time to detail that in my contribution.

A presumption in the family justice system to break up and separate families might need to be challenged by funding early support and intervention before court action becomes inevitable. In that circumstance, I praise the Government's upcoming review of the family justice system and refer to the valuable Adjournment debate held yesterday evening, in which I declared my frequent use of the family justice system. That debate was secured by the hon. Member for Liverpool, Walton (Mr. Kilfoyle), who raised the vital issue of the abuse and overuse of ex parte family court proceedings, often on a Friday afternoon, and often on behalf of male applicants. I was pleased that the Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice), said that she would consider whether the concern about ex parte application misuse could be included in the Government's welcome family justice system review. We must remember that violent partners in family justice system cases can abuse that system to continue their intimidatory behaviour and use the public domain for inappropriate defenestration.

I would also like to highlight the excellent work of the Centre for Social Justice in seeking support for bolstering families subject to domestic violence, which in itself can exhibit intimidation within the extended family. Violence within lesbian, gay, bisexual and transsexual relationships also needs to be considered in the debate, and I would like to place on record the excellent work I have learned about through my attendance at monthly Croydon LGBT meetings with the Croydon police that serious concern. That is an initiative of the police that should be studied and followed.

The proposed "go" orders in the Crime and Security Bill are vital. The need for their introduction is urgent, but I believe that it should not fall on the police to order; instead, there should be proper investment in the court system to allow for immediate recourse to 24-hour courts. I would prefer the term "time-out orders" rather than "to go orders". It is a better term, which would encourage more frequent use and, most importantly, earlier recourse to the facility. Earlier and frequent use of time-out orders would save lives and save families.

I am cognisant that there is another Member who has more to contribute than I do to this debate, so I will not have time to talk about good practice in Europe. However, it should be noted how the support that is given to both sides of a dispute means in many ways that families can be protected.

In conclusion—perhaps it is an exaggeration to say "conclusion"—I would like to spend a little time on two issues that were raised by the hon. Member for Hornsey and Wood Green (Lynne Featherstone). I have raised in this Chamber before my concern about victims of domestic abuse being denied services because they are not entitled to public funds in what is a sad and serious legal anomaly. Of course, the Solicitor-General will say that it is a matter for the courts. It is right and proper that what might be termed social benefits are not available, but support at public expense in the course of upholding the British tradition of justice is a separate issue. Police officers would not pass by on the other side of the street if they observed a person being assaulted whom they knew to be without the right to remain, so why should it be acceptable to consign a victim to the same fate within the confines of what might loosely be termed their home? A distinction must be made between public money used in connection with crime and justice, and the sort of social services benefits that are properly the thrust of the legal finding.

The qualification must be that entering into the support system should not have an immediate effect on the victim's immigration status. That is a separate issue, and while their new familial status is undoubtedly of importance, it would be unfortunate if people were attracted to making accusations of abuse from anything other than genuine concern.

I would also like to refer to the Metropolitan Police Service human trafficking team pilot, which is being closed down. I was so pleased to hear what the Solicitor-General had to say about advertising: I agree that local newspapers should abstain from the type of advertising that assists the human trafficking business. It is of great regret to me that the *Croydon Advertiser* has not followed the example of the *Croydon Guardian* in removing such adverts, regardless of the amount of money that they bring in.

The process that was agreed at the beginning for funding the pilot—to reduce the 50 per cent. of the Home Office funding during this financial year and to have no funding next year—compromises an important unit. I previously had an answer in the main Chamber from the Leader of the House that the problem will now be dealt with by the vice unit in the police service, but I believe that it is important to have a dedicated service. As the Solicitor-General will know, I do not wear any political badge here so, in quoting the Mayor of London's letter to me I am not trying to make a partisan point. However, I would like to quote it in concluding my speech, because it poses a question which the Solicitor-General may have time to answer in winding up the debate.

Boris Johnson stated:

"It is very disappointing that the Home Office will not be providing the MPS with any further additional funding to tackle human trafficking, particularly given the anticipated increase in trafficking leading up to the 2012 Olympic and Paralympic Games. Your support"—

the letter is to me—

"in raising this issue with other parliamentary colleagues would be most appreciated."

I have fulfilled the Mayor's request. I very much look forward to what I am sure will be a significant contribution to the debate by the next speaker.

5.14 pm

Fiona Mactaggart (Slough) (Lab): I thank the hon. Member for Croydon, Central (Mr. Pelling) for his generous remarks. I speak as the chair of the all-party

[Fiona Mactaggart]

group on prostitution and the global sex trade, and as a secretary of the all-party group on domestic violence, and I am the only person in this Chamber at the moment who was able to participate in yesterday's debate on trafficking. I think that there is some important read-across between that debate and this one.

I believe that everyone who has contributed to this debate agrees that tackling violence against women is of massive importance in reducing violent crime, and that we must focus on it in a way that was not sufficiently done in ancient years. My right hon. Friend the Member for Walsall, South (Mr. George), led us back to those ancient years, and we remember the victims of those times.

I was honoured this year to be given an Emma Humphreys award for the work that I have done in tackling prostitution. The award recognises organisations and individuals who work to tackle violence against women. I had the privilege of winning it because of my work to ensure that men who pay for sex from women who have been forced to prostitute themselves are criminalised, and I would like to honour the Solicitor-General for contributing to that work. I believe that it makes an important contribution.

The Government's strategy is great, but let us be clear: we have done a lot but there is a lot left to do. I want to focus on the "left to do". Hon. Members have focused on prevention. I share the view that education is a critical part of prevention, but we need to start before people are born. One of the most important ways to prevent domestic violence is for every pregnant woman to be asked at antenatal appointments whether she has ever been a victim of domestic violence. The *Daily Mail* and others will claim that that is nanny-stating, but there is compelling evidence that a woman is more likely to reveal her status as a victim at that time than at any other. One can then put in place the kind of support procedures that she needs to protect herself and her future child from domestic violence. I strongly urge the Solicitor-General to speak with her colleagues in the Department of Health to ensure that that becomes the norm rather than the exception. Such action is taken in my area, but not in many others.

I also urge the Solicitor-General to ensure that section 14 of the Policing and Crime Act 2009, which criminalises men who pay for sex, stops being the secret piece of law that it is at present. We must have proper publicity in every male lavatory and so on asking, "Are you certain that someone who you are thinking of paying for sex has chosen to do it? If you have any reason not to know, you will be prosecuted." I do not think that there has been sufficient publicity about that.

I would like to echo remarks by other Members about the valuable Sojourner pilot project for women who are subject to immigration control and are victims of domestic violence. My anxiety is that it provides for only eight weeks' support, and in many cases, frankly, there is not competent legal immigration advice available to women during that period. One of the simple ways that the Solicitor-General could make a real difference to the effectiveness of the pilot is by guaranteeing good-quality legal advice for that group of women at that point. I hope that that the pilot project will be extended.

There is another issue that I would like to raise in respect of the interaction between immigration law and violence against women. In my constituency there is a young woman who has temporary immigration status because she was admitted in conjunction with her mother. She had two years' stay in the first instance, which will lead to settlement if her mother's marriage, which one imagines has been going on for some 18 years because that is how old the daughter is, persists during those two years. Her father is trying to force her to marry her cousin in Bangladesh and she is being protected by the forced marriage unit, but there is no mechanism to sort out her immigration status. She has no income, but to get settlement she has to pay a fee although she has no access to money for that. The bending of the rules put in place for victims of domestic violence is not available for women in her position. Frankly, the Home Office is doing its normal Home Office stupid in this case.

I urge the Solicitor-General to take up that case and raise with the Home Office the need for victims of violence to receive not only legal advice, but the kind of resources that women often do not have. They do not have money that is needed to make the Home Office do the things that they need. The response that people receive is: "Oh, this is not a proper application, because it was not accompanied by the fee that we require. It's therefore an improper application and we're therefore bound to refuse it in law." That is what I mean by Home Office stupid. If the Solicitor-General intervened, we might get a little less of that.

I have spoken frequently about rape conviction rates. I praise the Solicitor-General's police force in Cleveland, which has the best conviction rates in the country because it has a decent strategy on a range of sexual violence issues, including prostitution. However, in some ways, I was disappointed by her explanation of how rape conviction rates are counted. In most cases of rape, although not in every case, the victim is able to identify the perpetrator. That is true in, say, street robbery, but not true in many areas of crime, such as burglary, car crime, and so on. It is therefore logical to count the statistics in that way.

I am afraid that I was depressed by the Independent Police Complaints Commission report into Warboys, because it showed that still there persists, even among specialist police officers, insufficient sensitivity to the experience of the victim of rape and an insufficient determination to treat rape as a major violent crime that must be investigated. I hope that the Solicitor-General will ensure that that attitude leads to penalties for those who were responsible for that case and that such attitudes are driven out of the force.

I am really looking forward to the Stern report. Vivien Stern is an excellent woman and I am sure that she will do a good job. However, one thing that other hon. and right hon. Members have discussed—and it is true—is the importance of supporting rape victims to enable them to go through the court procedure to get a conviction. In that regard, independent sexual violence advisers are critical. I represent an area that has one of the 27 domestic violence courts, which make a real difference, but I have noticed a trend for the police to scoop up the money for ISVAs. I am anxious about that, because it is better to have an independent sexual violence adviser who is from the voluntary sector and separate from the police. I urge the Solicitor-General to

try to find mechanisms to stop this trend, which does not recognise the brilliance that the voluntary sector is capable of—the police can be brilliant in other ways—and which is often lacking in other sectors.

The brilliance of the voluntary sector is not sufficiently recognised in commissioning refuges. I am deeply concerned that some local authorities are putting out to tender refuge provision in their area, with contracts being won by big housing associations that offer a 9 to 5 answer, and a service in which men supervise women, but in which there are no mechanisms in place to ensure that the great vision of those women who created the refuge system is protected. I urge the Solicitor-General to speak to colleagues to ensure that the significant contribution of the voluntary sector, is properly protected, not just with words but by putting in place mechanisms that prevent such local authority stupid commissioning of services.

Finally, I should like to mention the case of Rancheva, recently decided by the European Court of Human Rights. She was a young woman who went from Russia to Cyprus on an artiste's visa to perform in what she believed was burlesque or something like that. She tried to leave the club within three days of arrival—it is clear that it was, in effect, a club for sexual exploitation—and days later she was found dead beneath the balcony of her flat. The judgment in that case included the following statement:

"The Court considers that the spectrum of safeguards set out in national legislation must be adequate to ensure the practical and effective protection of the rights of victims or potential victims of trafficking. Accordingly, in addition to criminal law measures"

directed at

"traffickers, article 4 requires member States to put in place adequate measures regulating businesses often used as a cover for human trafficking."

The Solicitor-General mentioned voluntary efforts to reduce the number of advertisements in local newspapers. That court judgment gives our Government a responsibility to prevent the acceptance of such advertisements by law, because it says clearly:

"Article 4 requires member States to put in place adequate measures regulating businesses often used as a cover for human trafficking".

There are no regulations preventing such advertisements, which are used as a cover for trafficking.

Lynne Featherstone: I am mystified, given the number of advertisements in the back of local papers that are clearly to do with trafficking, as to why the police do not follow up those telephone numbers, track them down and use them. Yes, such adverts should be banned, but the police say that they do not have the manpower to track those numbers down.

Fiona Mactaggart: In her speech, the hon. Lady mentioned the Metropolitan police trafficking unit. She is right to be concerned that that specialist expertise is due to be lost. In fact, as soon as this debate ends, along with other Members of Parliament from all parties, I will be speaking with Commander Cressida Dick of the Metropolitan police, trying to persuade her to reverse that decision. The reason why that decision is so important is connected to the reason why local police forces are not prosecuting in such cases: they do not really know how to and it is outwith their competence.

The inadequacy of policing this issue is a little bit like the inadequacy of police responding to rape victims in years gone by. Hon. Members may recall a television portrayal of Thames Valley police many years ago and how they treated a rape victim. The public were really shocked by how that victim was treated. As a Member of Parliament who represents Thames valley, I should say that that is not the usual experience. At that time, the police did not have the expertise and did not understand the extent to which this is a cover for massive organised crime.

Local police forces do not get it. I am anxious about the merging of the trafficking unit with the vice and clubs unit, which is more concerned, in my experience, with public order and less concerned with serious and organised crime, because it will mean that a resource that was beginning to educate police forces around the country about ways of tackling and policing this will be lost. I do not believe that this is merely a matter of Government funding, because the Government only ever offered the start-up funding for that unit. It is due to a combination of factors, including the Metropolitan police choosing not to be the national resource that we fund them to be. If the Metropolitan police refuse to act as a national resource to other police forces, why do Thames Valley police not get some of that money and do it? Why do Cleveland police, who have a better record than other police forces, although they are a tiny police force, not get some money and do it? We should penalise the Metropolitan police for their inadequacy in this regard.

5.30 pm

The Solicitor-General: This has been a good debate, with some welcome and powerful contributions. I shall try to take on some of the issues that were raised, but I am happy to take interventions if that will help.

The hon. Member for Forest of Dean (Mr. Harper) referred to the need for sustainable funding. We have resolved to try to make the funding of the support sector for women who suffer violence compliant with the compact, and that is what we need to do. My hon. Friend the Member for Stourbridge (Lynda Waltho) referred to people whose qualifications, experience and expertise was in supporting women, not in making bids for claims, although help is available for such claims, and money has gone into supporting bodies, such as Rape Crisis and the Survivors Trust, to capacity-build for that job. None the less, if people have come into an organisation intending that their role should be to support women, it is not second nature for them to make regular applications for funding.

In the past two years, the Government Equalities Office has provided emergency funding and, indeed, on both occasions had a sort of Government whip-round to make sure that rape crisis centres and other organisations did not close. It appreciated the need for better funding in the longer term, and has driven the agenda. The Alberti review of health, to which I shall turn in a moment because of comments about health sector services, will say quite a bit about commissioning. I am thinking particularly about services in SARCs and who should commission. For example, forensic medical officers are probably better coming from the core health service and being commissioned in that way. There is a bit of an analogy with the prison medical service moving over.

[The Solicitor-General]

I am not predicting that that is what Alberti will say, but at the moment, forensic medical examiners have a number of tasks, and it sounds as if they should be well qualified to deal with rape complainants, and many of them will be. However, they may arrive to examine a rape complainant in the middle of the night, having certified dead a victim of a road traffic accident, then seeing someone who is coming out of heroin addiction to decide whether they are fit to be interviewed at a police station, then perhaps looking at the injuries of three people who have been in a fight in a pub to see how they are and writing that down. They may not have an opportunity to specialise, and may not be particularly sympathetic to everything to which we want them to be sympathetic.

Instead of having that random-ish model, there are seeds in the Department of Health for adding a qualification so that as doctors continue their education, they can obtain a qualification in dealing specifically with sexual offending. The intention is to move the agenda along to ensure that sympathy and expertise are offered to complainants not only at the outset, but when the cases continue to court so that top-class evidence can be given in court about the nature of injuries. I think that elements of sustainability will come from a number of quarters.

The hon. Member for Forest of Dean said that there is criticism of the fact that there is disproportionate emphasis on the criminal justice system. It is easy, looking back, to think that that is right, but it was critical to establish the fact that domestic violence is a crime, and that rape is a crime to be taken seriously, and to put the whole business of violence against women up front in the criminal justice system, because that was not there before. The criminal justice system sends out the message to delinquent men that such violence is a crime with which the authorities will deal, and that offenders will go to prison. It also counts numbers, so that we can see the nature and extent of the problem. Coupled with the British crime survey, it also shows the deficiencies in coverage. Women who have campaigned for 30 years have done a great job in putting it high on the criminal justice agenda. I do not regret one bit that that was our focus.

Funding must be sustained in the sector, but it is right to consider changing attitudes. We have the signals in place. We are saying that the state is against that violence. It is doing all that it can, and I shall come on to the ideas that have been mentioned on which we can press forward. My hon. Friend the Member for Slough (Fiona Mactaggart) is right in saying that there is still much to do. However, the state is making a clear statement, and when public attitudes are lagging behind, we must bring them with us. We must do a good job in personal, social and health education, which will be compulsory in schools. We have put stuff in there about domestic violence, how women can deal with unwanted sexual attention, how young men can read signals from young women, and whether they are implementing unwanted sexual attention. We must help with public opinion—and there is no doubt that we must move to prevention—but it is important to establish in the criminal justice system the fact that violence against women is wrong. I think that those were the major points made by the hon. Member for Forest of Dean.

I return to the early-day motion, which has three signatories from colleagues from London who are closely in touch with the domestic violence and rape crisis sectors in their areas and have received expressions of bitter disappointment at what the Mayor of London offered after his consultation. He invited me to go to it, and I did with some optimism, but it has not come forward with anything. The issue is not about measuring funding because of the recession; it has simply not come forward with what he promised. My hon. Friend the Member for Slough disclosed the fact that the Mayor masqueraded behind the suggestion that the police specialist unit was closing because of Home Office funding. He tried to blame the Government, when it is well known that he has a large influence—probably too much—that he should exercise in this case over the Metropolitan police to try to persuade them to take their responsibilities more seriously. He should also take his responsibilities in that regard more seriously. I am talking about a contender for the Tory party leadership, so we should take what he does seriously, and note his shortcomings in this area.

Mr. Pelling: I am grateful for the Minister's comments about the trafficking unit, because funding was guaranteed for only two years. Does she accept that the unit is important, and would it be possible to keep an open mind on whether additional resources might come from the Government to allow the project to continue?

The Solicitor-General: I am confident that my hon. Friend the Member for Slough will make powerful representations when she leaves the Chamber tonight. I am pleased that she will talk to Cressida Dick, who was a member of the Commission on Women and the Criminal Justice System when I chaired it, and who is very sympathetic to the issue of violence against women. That approach will be helpful.

The intention, as with all new areas of activity, was that core funding would be provided for a couple of years to put the matter into the middle business of policing. It should then be taken on part and parcel, and should not require supplementary funding from outside. The funding was intended to get it in there, but it remains a hot issue and I acknowledge that. We should, at the very least, keep an open mind on whether there is a danger of expertise being lost.

I am not as depressed as the hon. Member for Hornsey and Wood Green (Lynne Featherstone)—I know that, because we had a quick word about this during the suspension for the Divisions—about moving responsibility to the vice squad. I understand that it deals much more with raiding clubs, public order, and so on, but it has an understanding of the nature of prostitution, and it deals with brothels, so it can understand the help that needs to be given to women who are imprisoned in that sort of work.

The hon. Lady talked about the need to get the man out in a domestic violence situation, and not to get the woman, the children, the dog and the cat out. I agree that "go" orders in the Crime and Security Bill will probably be immensely helpful in that regard, but the real point is the conceptual shift. Clearly, in the past there has been the notion that we must rescue the woman quickly and get her out. The man is there, he is a hazard and the police cannot stay there all the time as

he might come back. In a way, we have gone on with that cast of mind. Even without "go" orders—I am not saying that they are of no use, far from it—there are powers of arrest for common assault, which could be just a threat when someone is close enough to carry it out. People can now be arrested in almost all domestic violence situations if the policeman senses that it is a genuine case, as it frequently will be.

A person can be arrested, taken away and put on bail with the condition that they do not go back, or be remanded in custody if they do go back. In a way, the powers are already there, and however they fill the gaps that are perceived to exist in the current framework, the "go" orders certainly ought to influence that perspective. Let us swap things around and make it the norm for the police to think, "What do we do with him?" and not, "What do we do with her?" I agree with that completely.

There are also injunctions to remove the man and keep him away, and there are now restraining orders that can be put on to the back of criminal proceedings. As the hon. Lady knows, a restraining order is a sort of county court injunction in the criminal court, and it can be applied where there is a conviction for a criminal offence by a perpetrator of domestic violence. Furthermore, such an order could be applied in cases of acquittal should the judge perceive that there is a continuing risk to the woman on the balance of probabilities. We are not talking about locking people up under restraining orders if they are absolutely not guilty. However, if they are not guilty but the nature of the case leads the judge to feel satisfied that, on the balance of probabilities, there continues to be a threat even if someone has not been convicted of a crime, the judge would be entitled to place a restraining order on them, which could include keeping them out of the house.

That is not a new power, but it has only newly been enforced. It needs to be used and strongly advertised to the magistracy. It was very badly reported in the press. I recall an article in *The Observer* in which a journalist suggested that this was, as he put it, yet another example of the Government's illiberality. Of course, that is not what it is. It is about making it simpler for women who need the protection of an ongoing injunction not to have to go to the county court and start completely fresh proceedings when they have spent the day in the magistrates court. Their witnesses and the policeman would not have to go twice either, and that is the purpose of the power. We must ensure that it is used.

The hon. Lady also discussed the fact that there is no recourse to public funds. She is aware of the pilot scheme. This is not the first pilot scheme—there was something called the last-resort fund run by Women's Aid. Before I was a Minister, I pressed for that scheme from the then Minister at the Home Office. Somehow it did not quite click or work entirely correctly. I do not know where the fault lay, if indeed it could be allocated—that is between Woman's Aid and the Home Office. However, the effect of that pilot was to speed up the process when women show signs of domestic violence, so as to get them an immigration status of their own. It was also about widening the ambit of evidence that the Home Office will accept for domestic violence so it was not only formal affidavits, but all sort of evidence from anywhere. That was helpful and I hope that this new pilot scheme—which has a better structure than the last scheme—will show the importance of that funding and be carried on. It is being piloted mostly because the last scheme was not a great success. It needs to be tried out.

I cannot tell the hon. Lady how many people are ejected from refuges in each constituency because of cost. I suspect that what happens is that refuges take people on even when they cannot get benefits, and use their core funding. That is not so helpful and the figures may or may not help if I can get hold of them, although I will try to do that.

It was very good and a delight—if I can put it that way and not seek to categorise my right hon. Friend the Member for Walsall, South (Mr. George) and the hon. Member for Ryedale (Mr. Greenway) as senior men with an enormous amount of experience—to see them supporting the agenda in such a powerful way. They forcefully brought to our attention the international dimension of violence against women, and I am glad that they appear to work together on that international agenda. As the hon. Member for Ryedale said, the Government are enthusiastic supporters of the convention against trafficking, and I was pleased to hear him praise the 2002 process, which I have just mentioned, to improve the position of immigrant women in this country.

I was pleased that my right hon. Friend the Member for Walsall, South is proud of the services dealing with violence against women that are offered in his constituency, but sad that those in the constituency of my hon. Friend the Member for Stourbridge are less good. That is a problem. The popular mood is, probably rightly, for us to decentralise funding and have indicators as to how the money should be spent in local authorities. However, we then get the great disparities pointed to by my right hon. Friend the Member for Walsall, South and my hon. Friend the Member for Stourbridge. We must look at more sustainability for funding those organisations.

The "Map of Gaps" to which my right hon. Friend referred by End Violence Against Women is a fine piece of work. The Equality and Human Rights Commission will use the gender equality duty to take proceedings against those local authorities that do not provide appropriate services. Trevor Phillips has written to those local authorities that are failing, and I have written to the MPs who represent them, asking them to go in and speak to those local authorities and tell them that they have do more. The idea behind the "Map of Gaps" has been taken up as heartily as we could wish.

Mr. Bruce George: Will the Minister tell us how many letters she wrote?

The Solicitor-General: What happened is that the commission wrote and said, "You're accused", as it were. A number of authorities wrote back and said, "No, we share services—that address is not in Walsall or whatever. You are wrong." We ended up with 18 local authorities, I think, and I have written to all of them.

Fiona Mactaggart: The point is that we have local authorities piggy-backing on neighbouring local authorities. East Berkshire Women's Aid is well funded by Slough borough council, but appallingly funded by South Buckinghamshire council, Maidenhead and others. The Minister should look behind the excuses.

The Solicitor-General: Of course, End Violence Against Women will do another "Map of Gaps". If we have been conned by local authorities that are doing that kind of stuff, it will look at the map again. Every time the map is published, a body of knowledge is built up that can be used next time round.

My hon. Friend the Member for Stourbridge makes a strong set of sterling points. She suggests further steps for us take and asks me what we will do. We will take on as much of the content of the debate as we can. As I say, we are at a stage at which the violence against women strategy has drawn in cross-governmental involvement that is more wide-reaching than we have ever managed before. It is time for us to up the whole thing a gear.

The hon. Member for Croydon, Central (Mr. Pelling) painted a compelling picture. He obviously has a good understanding of the ever-present nature of domestic violence. He was also keen on the "go" orders and is as glad as I am that the family justice system will be looked at. I was pleased to hear him welcome our intended further restriction on newspaper advertising for prostitutes. The law in Ireland seems capable of being transferred across, although there is probably more to add, as it does not cover the internet and we would want it to do that. A well-known website called "punternet" has been mentioned, where not only are prostitutes offered for sale, but there are comments about how they have performed. We want to close that down as quickly as we possibly can.

My hon. Friend the Member for Slough is a doughty campaigner. It was very good to see that she got an Emma Humphreys prize this year. Emma Humphreys was a client of mine on appeal. She killed her violent partner who was a pimp and who had pimped her when she was 16 years old. When she was 17, she went to prison for life for murder. Ten years later, we managed to get her released as a manslaughter case, using a number of defences that I will not set out here. She died about a year after she came out of custody, still only 28. She has contributed, through that defence, to many developments in domestic violence legislation. The Policing and Crime Act 2009, which has just come into force, has in it many elements of the case that she gave rise to, so my hon. Friend was greatly honoured—and rightly honoured—to receive that award.

I shall end as quickly as I can, in about half a minute, by saying that work with the third sector is our hallmark. However, we must do more. We have a formal stakeholder group around the inter-ministerial group on trafficking. Perhaps we should do the same with rape and domestic violence. Let me say with my very last words that rape is a serial offence. Let us all please keep saying that. That is the single most important conceptual shift that has started to emerge this year. It can have the effect both of helping juries and courts to understand the nature of what is going on before them and of encouraging women to continue to report. I am most grateful for all the contributions made today, all of which we will try to take forward.

Question put and agreed to.

5.50 pm

Sitting adjourned.

Westminster Hall

Tuesday 26 January 2010

[MR. ROGER GALE *in the Chair*]

Microfinance

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Blizzard.)*

9.30 am

Mr. Mark Field (Cities of London and Westminster) (Con): I am glad to be able to introduce this important debate, because in the face of difficult economic times, a hitherto united front in favour of the Government's international development programmes is perhaps beginning to crack—not, I hasten to add, in Parliament, but among the public at large. As all politicians look towards cutting the vast budget deficit that we have run up in the past couple of years, some of our constituents—I suspect that this applies as much to Harrow, West as it does to the Cities of London and Westminster—are beginning to ask why we are reducing significantly assistance to British citizens when we continue to channel taxpayers' money into international development.

I have received several letters from constituents asking why this country continues to provide aid to countries such as South Africa—£78.5 million last year—to India, which received more than £400 million last year and to China, which received £118 million, particularly when the latter two nations are running huge budget surpluses. This is an apposite time to have the debate, because it is appropriate in these times that British taxpayers demand full value from our international development budget.

Mr. Lindsay Hoyle (Chorley) (Lab): This is a very important debate. Like the hon. Gentleman's constituents, my constituents question why we give aid to India when it is buying up British companies such as Jaguar and British Steel or Corus. Does he now suggest that the policy should be that we withdraw from giving aid to India?

Mr. Field: On the contrary, I hope that my speech will make this clear. I think that it is all the more important that the case for international development and, more specifically, for microfinance is strongly made, in the light of what I suspect is becoming a more conventional view among many of our constituents across the country. People are entitled to question whether Britain should continue to have the same duties to the developing world now that our own economy is under pressure, and whether, in a new global landscape, developing nations' regional partners should perhaps bear slightly more of the brunt.

Politicians from these shores should not shy away from that emerging debate. For that reason, I am particularly delighted that my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), who has spoken so effectively for my party in the shadow Cabinet on these issues during the past four years, is here personally to reply to this debate. That is the clearest possible indication of the Conservatives' commitment in this area.

If we are to make the case that international development remains vital to our national interests, we need to show that Department for International Development money is being channelled to effective projects and that our people overseas work vigorously to reduce the flaws in existing programmes, rather than hiding behind a shield of good will that has until now shamed people into not asking tough questions. Aside from that, the Department might also consider the expertise that it could bring to poverty reduction in this country, where people living in poor communities might benefit from some of the techniques used to help those in the developing world.

A good place to start much of that debate is in the field of microfinance. Despite the debilitating effects of the financial crisis on the developed world, I believe that broadly, the growth of financial institutions has done more than anything to spread wealth across the globe. The most pronounced poverty continues to be in the communities that are most excluded—indeed, excluded entirely—from the financial system. Microfinance can help poor people to protect themselves from risk, to escape debt and to live sustainably by creating small enterprises. It is not and cannot be a cure-all. It has not even proved sustainable or effective in all the communities in which it has been used. However, as a development technique that encourages responsibility and independence, microfinance is a form of assistance that is more likely to garner the support of the British taxpayer, especially, as I said, if it is put to work in some of the UK's own poorest communities.

Many commercial activities in the developing world are not monetised, with trade conducted through means of exchange such as livestock. Banks are rarely tempted to change that. There is always a break-even point in providing loans or deposits, below which banks will lose money on every transaction. With poor people depositing or borrowing only small amounts, banking operations in such areas can quickly become commercially unviable. The poorest people also tend to have the fewest assets that can be secured by a bank as collateral in the event of default. That can leave the poorest ill prepared for life's day-to-day risks. Paying for education, weddings, childbirth, health care and the impact of natural disasters—as we have seen particularly in the past two or three weeks with the terrible events in Haiti—can be an unbearable struggle, particularly in countries where there is no established welfare system. When forced to borrow, the poorest are often left to rely on family members or local moneylenders with extortionate interest rates. In those circumstances, microfinance can play a crucial role in preventing the development of a downward spiral.

Although the idea of small-scale credit as a means of poverty alleviation is a relatively old concept, it was properly developed by a Bangladeshi economist, Muhammad Yunus, in the 1970s after he discovered that very small loans to poor women in the village of Jobra could make a disproportionate difference to their lives. Yunus found that, given the chance, the poor tended to repay borrowed money, often by establishing micro-enterprises. By 1983, a pilot for a fully fledged microcredit bank was established and, in October 2007, the Grameen bank could claim to have distributed $6.5 billion in loans, boasting a loan recovery rate of 98 per cent.

[Mr. Mark Field]

The microcredit movement has tended to loan mainly to women, who are thought to be more likely to use the money to benefit their families. Since the concept's expansion in Bangladesh, microfinance has been used as a tool to reduce poverty in developing countries worldwide, often to great effect. Let us go to another continent. After years of struggling to support seven children by working as a seamstress, Jennifer from Uganda took out a small loan in 1997 to buy her own sewing machine. That enabled her to expand her sewing business, which in turn led her to diversify into other areas—first, opening a motorcycle taxi business and later purchasing land to build rental properties. Today, she employs 57 people and has taken on the care of five AIDS orphans. Meanwhile, her natural leadership skills led to her election to the town council.

I first became interested in the idea of microfinance—as is often the way for Members of Parliament—when a constituent approached me about the concept as long ago as 2003, spurring me to write a paper on free trade and aid that made the case for distinguishing free trade from fair trade. I wrote at the time:

"The way forward should be the way of free and fair trade where the word 'free' (or perhaps I should say 'open') is as important as 'fair'. There is a strong ethical case for supporting trade in preference to aid in promoting development in poorer countries because it makes each nation sustainable. However, I believe that where aid is the right solution, we should support direct, locally distributed aid, such as micro-finance, that preserves incentives for the citizens of those countries to achieve self-sufficiency."

More than six years later, microfinance has returned to my consciousness by virtue particularly of the efforts of two constituents involved in the field: Louise Holly, who works for RESULTS UK, and Rev. George Bush of St. Mary-le-Bow in the City of London. RESULTS was started more than 25 years ago in the United States to empower and encourage ordinary citizens to create the political will for change in international development. Today, there are RESULTS organisations in seven countries, with the UK branch co-ordinating groups across the country from a little national office just off Regent street in my constituency.

Rev. George Bush, whose politics, I should add, are about as far removed as possible from those of his slightly more famous namesake, is involved in the establishment of a microfinance fund in the City called Arcubus. The fund aims to raise £1 million by issuing a five-year social investment bond with a zero interest coupon that will return donors' money while channelling the interest from the collective pot into four microfinance non-governmental organisations. They will consider providing formal banking services and micro-loans to those unable to access mainstream bank loans; expand and enhance existing microfinance operations by improving efficiency and sustainability; and arrange short-term placements for City professionals at microfinance institutions in Africa.

At his ministry at St. Mary-le-Bow on Cheapside, Reverend Bush is putting in place a phenomenally important way to help people who might not otherwise understand the connections between microfinance and finance in the City of London, and the initiative provides a tremendous opportunity to open the eyes of opinion formers. Ideally, projects under the Arcubus initiative will eventually create a mixed portfolio of complementary microfinance initiatives that British individuals, companies and Churches can support.

Only three weeks ago, I returned to the home of modern microfinance, Bangladesh, to lead a delegation in my role as the vice-chairman of the all-party group on Bangladesh. We visited Dhaka, the capital, and Sylhet, from which many Bangladeshi Britons hail. One of our stops was the national football academy, which is sponsored by Canary Wharf and none other than the Grameen bank—a mark, again, of the expansion of Muhammad Yunus's vision.

I also met our high commissioner in his residency. Having spoken to him, I am concerned that we are trying, perhaps perversely, to do too much with the £150 million annual development budget that DFID spends in Bangladesh, and if the Minister will hear me out, I will try to explain what I mean.

We currently invest in 40 different schemes in Bangladesh, but given the obvious constraints on manpower in DFID's organisation there, it is difficult to see how we can properly supervise all those schemes. We should perhaps look to spend our DFID money in a slightly more concentrated, accountable way on fewer, higher-profile projects. I accept that political issues, and particularly regional issues, in Bangladesh perhaps make it easy for us to spread ourselves a little too thinly, but if we are to get as much of a bang for our buck as we can and derive a benefit from the taxpayers' money that we spend, we must try to do a little less through smaller and, in some cases, longer-term schemes that we can see through to the end—currently, schemes tend to last for about three years. Despite the guarantee of a large pot of £150 million a year, there is a worry that we are not making as much of our money as we should be, and I hope the Minister will consider that.

As a way of maintaining public support for the Government's microfinance initiatives abroad, we could adhere to the adage that charity begins at home and show that tools such as microfinance can help British people who are unbanked.

Annette Brooke (Mid-Dorset and North Poole) (LD): Is the hon. Gentleman aware of organisations such as Street Cred, which works with the Bangladeshi population in the east end?

Mr. Field: It is very rare for me, as a Conservative MP, to be accused of anything to do with street cred, but the organisation that the hon. Lady mentions has just recently come on to my horizon. Obviously, I know of the tremendous amount of work that the hon. Lady does on this issue, and I hope she will understand when I say that we need to link microfinance to what we do in this country so that it is regarded as being not only of relevance overseas, but of great relevance—particularly, but not exclusively—in inner-city communities in this country.

Thanks in part to our welfare system, very few people, in truth, live in absolute poverty in this country. When it comes to accessing finance, however, the problem is different. It is estimated that almost 8 million people are unable to access mainstream credit and often find themselves turning to informal moneylenders, who can frequently charge exorbitant rates of interest. Three million people do not have a bank account. Our average household

debt, excluding mortgage payments, stands at £9,500, and Citizens Advice has been dealing with 7,200 new debt problems every working day. Although we have more material wealth than ever before, poverty has become more concentrated and inequality has become more marked, with some communities heavily dependent on charitable giving and public money, whether in the form of welfare benefits or grants. People in such communities are also more likely to be preyed on by doorstep lenders owing to financial illiteracy, poor credit ratings, a sense of exclusion from mainstream financial lending, past family experience and confusion over the financial products available.

I do not want to sound hysterical, but a headline that appeared only yesterday—it was quite shocking for me as a London MP—said that 19 per cent. of London's children are being brought up in severe poverty, which is a great worry. We see that poverty even in my constituency, cheek by jowl with a lot of wealth. As I say, it is wrong to be hysterical, but we need to recognise that there are quite significant problems in this country, which are partly down to the fact that too many people are unable to access more mainstream finance. Introducing microfinance initiatives into such communities will help to challenge the perception of risk that attaches to the poor's ability to repay loans, and it will help to support entrepreneurs who are considered unbankable.

Community development finance institutions are a fast-growing sector and provide finance and support to new and growing businesses in disadvantaged communities, which in turn creates jobs and services where they are most needed. I was contacted only last week by a constituent, Richard Matthews, who is looking to establish a credit union in the Covent Garden and Leicester Square districts of my constituency, something that is proving particularly popular with the Chinese community there.

CDFIs, which combine elements of the private and charitable sectors, promote a culture of self-help and combat poverty and social exclusion from the bottom up. Although they are not conventional sources of finance, they provide finance to viable enterprises and seek financial and social returns on their investments. In 2007-08, the last year for which we have reliable figures, CDFI lending totalled £76 million, levering £35 million of additional finance into unserved markets such as black and minority ethnic businesses, women's businesses and small start-up businesses.

In London, a new drive to assist people through microfinance projects is being spurred by Fair Finance, an organisation that offers loans and advice to those who have been excluded from accessing mainstream services. Launched in 2005, Fair Finance has grown incredibly rapidly, expanding from its original base on a council estate in Stepney, just four miles east of here, to cover half of London. It has helped hundreds of excluded women to create businesses and it has saved many hundreds more from eviction. Its managing director, Faisel Rahman, has a background in international development and experience at Grameen bank and the World Bank, where he focused on the development of microfinance.

A client who borrows from Fair Finance tends to save £20 to £100 per month in reduced interest payments alone, compared with what they would pay to doorstep lenders, who have been known to charge interest rates of up to 4,000 per cent. annual percentage rate. By opening bank accounts and establishing credit histories for its clients, Fair Finance helps them to access cheaper products and services, helping them, for example, to pay utility bills by direct debit and to obtain longer-term contracts for mobile phones. Importantly, it also advises clients on managing their finances, which will, one hopes, introduce the habit of saving.

Unfortunately, Mr. Rahman believes that the biggest barrier to micro-entrepreneurs who take Fair Finance loans is the structure of the benefits system, which makes it unlikely that someone starting a business will be able to make enough money to cover council tax, rent and living costs, and there is obviously an issue with housing benefit, which is a particular problem in the capital. Micro-entrepreneurs also have to fill out a self-certification form every time their income changes, potentially leading to a damaging reassessment of their benefits. Such difficult short-term prospects may have an impact on whether they wish to remain part of the initiative. Obviously, there are other pitfalls in the application of microfinance here and abroad. Unfortunately, we have to accept that microfinance is not a panacea. As with all other development interventions, it is important that we constantly ask questions about its effectiveness.

Access to financial services has undoubtedly permanently improved the lot of some poor people, but is it unclear whether microfinance reduces poverty on average. There are few studies of its effectiveness, and it has been difficult to use a correlation to prove a causation. For instance, if affluence and microcredit go hand in hand, does that mean that the better-off borrow more or that borrowing makes people better off? That is a potentially circular argument.

Microfinance does not work as well in every country and it has great difficulties in large parts of Africa, for instance, where a lack of basic resources, a dearth of customers and difficulties with health make it particularly hard to be entrepreneurial. A disparate population can also make microfinance unsustainable owing to high operational costs, and loan books concentrated in a specific geographical area can be vulnerable to natural disasters or downturns in the local economy. Some women have also reported that their money has been stolen by their husbands or others, or that it has been lost to the demands of corrupt officials or village elders. For many, microfinance alone cannot be an alternative to direct aid, and I am not suggesting for one minute that it should be.

Critics of microfinance also point to high interest rates charged by lenders, but equally, interest rate caps can harm the poor, as they prevent institutions from covering their costs, often choking off supply. Furthermore, few institutions are held accountable for their performance, which leads to significant inefficiencies and market distortions. At worst, borrowers have on occasion effectively become wage labourers for a local microfinance bank. In places where microfinance is in operation, traditional moneylenders are often found to flourish too. Such lenders offer quick loan disbursement, confidentiality and flexibility. By contrast, the poor do not always find the lower rates of interest from microfinance institutions to be an adequate compensation for the time it takes to attend meetings and training courses, and the financial cost of monthly contributions.

[Mr. Frank Field]

Such criticisms tend to be valid, in my view, only when microfinance is considered in isolation. Its proponents have never claimed that it is a cure-all, and it should be kept in mind that microcredit and training are designed to offer a hand up rather than a long-term handout. It is also about more than just loans. The most successful microfinance institutions are increasingly providing access to other financial tools such as savings, insurance, training and financial education, as an economy becomes more sophisticated. As I have said, I would continue to promote free trade as the best tool to alleviate poverty, but in its absence microfinance can play an integral role in a comprehensive economic development process by generating local economic activity and stimulating demand for goods and services.

Microfinance has dispelled the notion that those on the lowest rungs of the income ladder are worthy only of aid, not the assistance of financial services. It has also helped to shoot down the idea that the poor are not able to follow basic rules of commerce. In much of Asia and Africa, the rural poor have proved that they can be entrepreneurial, and can launch a business and earn money. Even if the loans fail, the amounts of money involved are so small that that form of support for poverty alleviation may still be more effective than traditional aid. Donors should now focus on capacity building, particularly when it comes to obtaining strong managers to run microfinance institutions. We should also cast aside prejudice about traditional moneylenders, although we should not of course support lenders who charge extortionate rates. The poor have diverse needs and therefore need a range of lenders that can operate in any market: traditional banks, microfinance institutions, credit unions and even some doorstep lenders.

At a time when Government budgets are under strict scrutiny as never before, it will become even more important for each Department to articulate the benefits of its work. That is one reason why I wanted today's debate. If global development budgets are to be ring-fenced, the Department for International Development must prepare to explain its work in terms that demonstrate value to the taxpayer and tangible results for the poor communities being served. In microfinance, DFID has a form of aid that has more chance than most of becoming self-sustaining and long lasting, and which will echo the themes of responsibility and independence that will become ever more important as our own nation negotiates the tough times ahead. Microfinance is insufficient alone to eradicate poverty and is second best to free trade, but if it is implemented alongside complementary policies, there is every opportunity for it to promote long-term growth in the poor communities that it serves. That applies equally to the slums of Nairobi, to rural Sylhet in Bangladesh, or to a council estate in Stepney.

9.53 am

Annette Brooke (Mid-Dorset and North Poole) (LD): I congratulate the hon. Member for Cities of London and Westminster (Mr. Field) on securing the debate. It is some time since we had an informed debate on microfinance, so I am delighted that we have the opportunity today. I apologise to all hon. Members who are present, because I must be at the first sitting of a Bill Committee and must leave early.

It is important, as the hon. Gentleman outlined, to consider the full range of what microfinance involves. We think about it as the provision of financial services to those who are traditionally excluded, but it is important to remember that it goes far further than providing small loans to set up a business. It is important for access to savings accounts and insurance, in particular. As the hon. Gentleman said, it is important to think about microcredit in this country, as well as its role as an international development tool. Clearly it has great scope, particularly in marginalised communities such as the one that I mentioned in an intervention. I am sure that especially in the current economic climate we want to do as much as we can to support our local credit unions.

Much of my work on microcredit has involved observing overseas projects. There is a self-help aspect to it—it is bottom-up. It is not about someone coming along and telling people how to do things, but involves employing local people in local organisations. It is about development at a rate that is compatible with local cultures and what the people choose to do with their lives. I agree that evaluation throughout is important and it can never be said that every project is a huge success; but we need to consider all the different dimensions. I want briefly to touch on some personal experiences, to bring out some general points.

Several years ago I was very impressed by the work that I saw in Kibera in Nairobi. It was amazing to people who visited it. People were lifting themselves out of extreme poverty and terrible living conditions. The fragility of that, however, was shown after the elections in Kenya, when there were riots in Kibera. There were many people with debts, whose businesses were smashed. We can never stand back, thinking that there is the power to make things sustainable in such extreme conditions.

I visited a project in Malawi with Opportunity International. The Opportunity International banks in Malawi are primarily savings institutions. They have a savings to loan ratio almost the opposite of ours, and many of us might feel more comfortable with that. The provision of that savings facility is all-important. The bank provides a smartcard, with an identifier using fingerprints to access money from machines and deposit it in mobile vans in the villages. The strength of the arrangement is that the people involved, who are primarily women, can get their money safely into the bank as soon as possible. That is crucial to enable them to move forward and protect their money to use on the things they want it for. That is an interesting savings model. Loans are made, but the model is primarily about savings.

I was fortunate enough to visit some projects that came from both the Grameen bank and BRAC in Bangladesh where another aspect of microfinance was demonstrated. We went to a village and heard how a group of women had used their money. The loans were predominantly to buy goats and animals. It could be argued that the basic loans had not led to any further growth, beyond survival and life being made a little more comfortable. However, one of the women introduced us to her son who had just completed his master's degree. That was one of the add-ons that are such an important aspect of microfinance. Because of the predominance of women in using it, there is a tendency

for it to be used to promote the family's future. It is difficult to measure that as an impact of microfinance, but it seems to me to be one of the most sustainable aspects of it. It tends very much towards the improvement of educational opportunities for the next generation, and beyond. There are so many wonderful stories about that.

I now touch on a more recent experience.

Mr. Mark Field: The hon. Lady reminds me of a lasting thought about my trip to Bangladesh at the beginning of January. I noted a sense of positivity among middle-aged Bangladeshis, as the prospects for their children and grandchildren were going to be markedly better than theirs had been. The hon. Lady rightly says that elements of microfinance and of a growing economy are central to the Bangladeshis' sense of optimism for the future of their country.

Annette Brooke: I thank the hon. Gentleman for that intervention. That is why we must always look at the bigger picture when it comes to the impact of microfinance.

I now refer to a totally different situation. I have visited Chennai, an area affected by the 2004 tsunami, to see some microfinance projects there. Rebuilding was not complete, but it was well under way. That was of great interest, as it showed the enormous importance of microfinance as part of what I would call a regeneration project. What I witnessed there was a good example of the empowerment of women through microfinance.

In the area that I visited, the male occupation was predominantly fishing. However, there were problems with alcoholism and domestic violence. The women in the microfinance group explained that when they identified someone, or if somebody came to them to say that they were experiencing domestic violence, the women as a group would challenge the perpetrator. That was an amazing example of the empowerment of females.

In that brief run around the world, I have tried to illustrate how microfinance can make a contribution to a large number of the millennium development goals.

Bob Spink (Castle Point) (Ind): I am grateful to the hon. Lady for giving way. Almost single-handedly, she has led on this issue for many years, and I congratulate her on her work.

The hon. Lady says that she has run around the world, but she has not touched on Afghanistan. She may be aware that 65 per cent. of the £4 million loans given for microfinance use over the past five years in Afghanistan went to women, to empower them. Does she think that that was a more effective use of our taxpayers' money than the £4 billion spent over that time on the war?

Annette Brooke: I shall not be drawn into that. The important point is that although microfinance is never the only tool it makes an important contribution. I am aware of the microfinance projects in Afghanistan. Indeed, I have spoken to the Bangladesh rural advancement committee—BRAC. Straying slightly, it is staggering that such a country should have produced two enormous NGOs. BRAC, in particular, has reached out worldwide. I am sure that other organisations are operating there, but I am well aware of the work that they are doing. As for the social issues in Afghanistan, most of us believe that it is not only the fighting that needs to be tackled but the social structures, and microfinance does indeed have a role.

I have touched indirectly on the millennium development goals, which include alleviating extreme poverty and everyone having access to primary education. On the latter, where microfinance is operating, it is going much further up the scale than primary education. For example, the Grameen bank is giving support for children to go to secondary school, and members of the bank are able to access loans to send their children to university. It is absolutely incredible. As for the health goal, most of the projects that I have seen involve a lot of health education; they are running with support—and obviously the empowerment of women.

We often say that microfinance is targeted particularly at women. Of course, there are men who benefit, and I do not wish to exclude them, but the fact is that 83 per cent. or more of clients are women. If there is something that women can do, they can quickly get direct benefits.

As I said, evaluation and capacity building is all important. I have seen many projects that I thought would provide no further movement up the scale for the individual. However, as in the examples given by the hon. Member for Cities of London and Westminster, I have also seen projects that are at the point of employing 40 or 60 people. The range is extreme. Then, of course, some clients move on to owning umpteen businesses and become very entrepreneurial.

We have to appreciate that there is a big range, but for those whose businesses are not going to expand greatly we should look at the wider education and health benefits when evaluating projects. Of course, we must ensure that funds are used as efficiently as possible, and learn from good examples. It is interesting to note how similar projects can be in different continents, but we must reflect on the differences. That, however, is a separate question.

I was pleased to see that the multi-donor facility for Africa has been set up. I keep asking about it because it is important that we consider the social impact; we need a strong set of social goals and a robust project design. The fund must build in safeguards and systems to promote appropriate micro-models within the structure of the fund. That is important, and the all-party group on microfinance is most interested in pursuing the future of the fund there. That is particularly appropriate for Africa; although there are some amazing examples of microfinance, we are not breaking in percentage-wise given the overall situation there.

Finally—this was meant to be a brief contribution—the all-party group is taking a particular interest in the wider issue of micro-insurance. We have always been keen on insuring for weddings, funerals and other events, but we need to consider micro-insurance on the larger scale, as part of our adaptation to climate change. It is a really important future agenda. We have raised questions with the Minister before, but it would be interesting to have an update on his view of DFID's position on the matter. Clearly, we cannot predict natural disasters, nor where or when climate change will have an impact. Having an international fund that ties in with micro-insurance would be of enormous benefit.

A lot of work needs to be done. When in Africa, I heard that as many weather stations as possible are needed in order to track what is happening to the

[Annette Brooke]

climate there. Proof will be needed in order claim against the fund. The country is working with farmers to plot variations in climate—and looking to farmers to plan their payments. Farmers in Africa often sell their produce in advance at a low price. That is obviously devastating for them, as they never escape from the trap, but by using the financial system they could even out their incomes and outgoings in a rational way.

A lot of groundwork is needed, particularly with agriculture, working with farmers not only in Africa but globally. Supporting micro-insurance in countries that may be particularly affected by climate change is really important.

10.9 pm

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): I am delighted to follow my hon. Friend the Member for Mid-Dorset and North Poole (Annette Brooke). Moreover, I wish to congratulate the hon. Member for Cities of London and Westminster (Mr. Field) on securing this debate and on introducing it in such a comprehensive and measured way. He is right to address the debate that exists in the country about why we contribute so much to international development—I know that some argue that we are not doing enough, but that is part of the wider debate. I was pleased, too, to hear him explore the impact that microfinance can have in this country. The hon. Gentleman raised some broader points about international development, including this poor-countries-versus-poor-people argument about where we should target our assistance, particularly in the context of India and China. I appreciate that it is legitimate to explore such an area in the widest terms, but if we use, for example, the poverty of the country as a whole, we can quickly find other reasons, such as human rights records and behavioural patterns of Governments, to remove such countries from the equation as far as international development is concerned. We should therefore concentrate on the alleviation of poverty for the people rather than focusing on the country exclusively. In countries such as China, though, we should consider what the Department for International Development is doing, because important technical assistance work on climate change is under way. It is a two-way street in which we are learning from them and they are learning from us. Although we need to critically evaluate such important work, we should also continue to support it.

The financial crisis to which the hon. Member for Cities of London and Westminster referred—he also mentioned it in his helpful article on his website—has been truly awful, and we have seen it at first hand in our own constituencies. The impact on the developing world, however, has been stark. The World Bank estimates that, as a result of the credit crunch, the finance gap for 2009 is around $635 billion, some $40 billion of which is in Africa. The priority that has been given to saving the western banking system has meant that Africa and parts of Asia have been left to fend for themselves. For example, 82 per cent. of the International Monetary Fund's emergency resources has gone to European countries, and only 1.6 per cent. has been allocated to African countries.

Any debate on development has to be seen in the context of the dreadful events that occurred in Haiti a fortnight ago. It is a truly shocking catastrophe and highlights the need for urgent humanitarian assistance, which must be backed up in the long term by really serious development attention. Many people have been talking about getting Haiti back on its feet, only for Paul Collier to pull us up short and point out that it was never on its feet in the first place. I hope that we will be debating Haiti's needs before long. Few could argue with the premise that it will need direct development assistance on a large scale for many years to come, and it is not alone in that.

In whatever part of the developing world we focus our attention on, the demands for development assistance are huge. Alongside the many channels of direct aid, which we debate and scrutinise in this House, we must not forget the importance of wealth creation as a key way to alleviate poverty. In that respect, microfinance plays an important part, which has been recognised by policy makers on the international stage for a long time. In 2005, the G8 at Gleneagles stated:

> "African countries need to build a much stronger investment climate: we will continue to help them do so through the promotion of a stable, efficient and harmonised legal business framework...and increased access to finance including strong support for the development of micro-finance in Africa."

The DFID White Paper committed the UK to support the creation of the new multi-donor facility, to which my hon. Friend referred, which has a goal of delivering microfinance to an additional 10 million clients over five years. Last year, DFID provided £250,000 towards the Consultative Group to Assist the Poor, which is a multi-donor partnership that works to expand access to finance and that monitors the success of microfinance projects worldwide. That is important work, which we support.

Today, the UK development finance institution, CDC, announced that it is to invest an additional $10 million in the ShoreCap II microfinance fund. Neatly timed to coincide with this debate, the CDC announcement reminds us that 160 million people are supported through microfinance institutions, and that 3 billion people across the world remain unbanked and without proper access to financial institutions and the products that they offer. The scale, therefore, is vast and it is a chasm that we would do well to cross.

Boosting the proportion of our official development assistance that is dedicated to microfinance programmes will barely make up the substantial gap in investment that has emerged as a result of the current economic crisis. However, it is important to ensure that those at the bottom of the pile across the world will be in a position to join in the recovery.

As others have already said, the development benefits from microfinance touch on not only poverty and hunger reduction, but a number of the millennium development goals, particularly for women. A whole body of research suggests that women's participation in microfinance programmes has helped them to break free of traditional gender roles and contribute to their local communities and families. In Nepal, for example, a local women's empowerment programme found that more than two-thirds of those participating were making decisions on buying and selling property, the education of their families and negotiating marriages. All those tasks were traditionally performed by the men in the community.

Between 2002 and 2009, DFID invested more than £40 million in microfinance in Afghanistan, more than 60 per cent. of which went to women. Other benefits have been seen in areas such as child mortality. A Ghanaian study showed that "Freedom from Hunger" clients had better breastfeeding practices and that their one-year-old children were of a healthier weight and height than non-client children.

In 2009, there were more than 3,500 microfinance organisations in the world and significantly more than 50 per cent. of their borrowers were women. According to RESULTS UK, half a billion people are now involved in microfinance, which is indicative of the success of the movement globally. However, there are some issues about microfinance that must be addressed. The amount that is being invested in microfinance institutions is increasing—the CDC fund might be seen as an example of that—and there is still some way to go. However, the scheme has become so successful that people are beginning to question the motivations of those who are investing in such funds. I am not against people making a decent return, but let me highlight a recent example that was brought to my attention.

A Mexican microlender with more than 840,000 customers went public in 2007, and raised $450 million for a group of backers who had originally invested about $6 million, which is the sort of return that most of us would like to see. In the analysis of that particular case, it emerged that the bank involved routinely charged annual interest rates of more than 100 per cent and that the overall return on equity enjoyed on the project was three times the 15 per cent. delivered by traditional lenders. So we can understand why the non-governmental organisations sometimes get a little uneasy about that type of finance and I hope that the Minister can offer some reassurance about how we are tackling what are perhaps the excesses at the margins of microfinance. Nevertheless, with pressure on public spending in the developing world becoming more severe, it seems to me that a proportion of any increase in the resources available for development assistance will certainly have to come from microfinance initiatives.

We will have to tackle the different issues that were raised by the hon. Member for Cities of London and Westminster. For example, he raised the issue of the evidence that has emerged from different studies, which does not always seem to conclude that microfinance is a good thing. However, in anticipation of today's debate, my hon. Friend the Member for Mid-Dorset and North Poole and I were discussing this issue yesterday and she used a very good example of a woman who had enjoyed the use of microfinance. That woman herself had not seen a huge change in her income, but she had received a good, stable income, which enabled her children to receive proper schooling. Indeed, one of her children is now able to study for a master's degree, which would otherwise not have been possible. So the impact of microfinance might not be immediately obvious, but through the generations it certainly becomes obvious.

In today's headlines in the United Kingdom, we are hearing the heralding of the end of the great recession, although, as with everything that is advanced, we will wait to see the detailed figures before we start celebrating. As parliamentarians, we are inevitably and rightly preoccupied with the impact of what until recently we were calling "the credit crunch" on our constituents and focusing on the policy responses that we need to see to help many of our constituents to get out of the difficulties that they are in. However, in doing so I strongly believe that we must not lose sight of the wider impact of the downturn on the developing world. Private finance plays a critical role in alleviating that impact and it is currently drying up. If ever there was a moment for us to focus on the importance and the potential of microfinance, it is right now.

10.22 am

Mr. Andrew Mitchell (Sutton Coldfield) (Con): It is a great pleasure to appear under your chairmanship once again, Mr. Gale.

I should perhaps explain to the House that my hon. Friend the Member for Cotswold (Mr. Clifton-Brown), who is the shadow Secretary for international development and for trade, is on a campaigning visit to Sunderland and I am appearing, as it were, in his place.

First, I wanted to respond to the point made by the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), the Liberal spokesman, about Haiti. I hope that we will be discussing Haiti again in the House before too long and I completely echo the hon. Gentleman's sentiments. Having said that, of course there will be a time for us to look at the way that the international community has co-ordinated the relief operation in Haiti and at the lessons that need to be learned from that operation. Indeed, my party has made it clear that if we were to win the next election, we would immediately set up a review of the way that Britain makes its contribution in this area of relief work. In the much-used words of Douglas Hurd, it is an area where Britain punches "above our weight" and we have a very big contribution to make, to ensure that the necessary lessons from the tragedy in Haiti are learned.

For now, of course, the main effort must be on bringing some hope and relief, particularly in providing shelter, food and medicine for the poor people in Haiti who are still, so many days after the earthquake struck, in desperate conditions. I am sure that we are all immensely proud of the contribution that British fire service personnel and NGOs are making to that effort.

Mr. Moore: The Minister would be expected to praise the staff of the Department for International Development. None the less, may I suggest that we add them to the list of staff that the hon. Gentleman has just cited, to pay tribute to the work that they are doing on the ground in Haiti too?

Mr. Mitchell: The hon. Gentleman is absolutely right. I am usually the first to pay such tribute and I happily do so again today.

I want to refer to the speech by my hon. Friend the Member for Cities of London and Westminster (Mr. Field) on the very important area of microfinance. Together with the hon. Members for Mid-Dorset and North Poole (Annette Brooke) and for Berwickshire, Roxburgh and Selkirk, he has done a great service to the cause of microfinance, highlighting the importance with which it should be viewed. It is perhaps not surprising that my hon. Friend, who is the Member of Parliament for the centre of the world's financial services industry, should speak with such eloquence and knowledge on this vital extension of financial services to some of the poorest people on our planet.

[Mr. Andrew Mitchell]

In his opening remarks, my hon. Friend made some general comments about the support for development in the downturn that we are experiencing at the moment and about the countries that Britain seeks to support, which was a point picked up both by the hon. Member for Chorley (Mr. Hoyle) in an intervention and by the hon. Member for Berwickshire, Roxburgh and Selkirk, in a comment about China.

I just wanted to say a word or two about my hon. Friend's comments about the countries that we support. As our right hon. Friend the Member for Witney (Mr. Cameron), the leader of the Conservative party, has said—I paraphrase his remarks—"At a time of economic hardship, now is not the time to turn our back on the poorest in the world, who are hit first and hardest and who are least able to cope with these circumstances, but to reaffirm our promises to them." I am sure that my hon. Friend and indeed the whole House would join me in saying that those sentiments are absolutely right. In view of the economic climate that my hon. Friend rightly identified, it is worth making the point that this approach to these matters is not sentimental but very hard-headed, which explains why, in these times of economic difficulties, we say that we should ring-fence the international development budget and reaffirm our commitment to reaching the target of giving 0.7 per cent. of gross national income to international development by 2013.

There are, above all, two reasons why my hon. Friend referred to the importance of giving this support. The first is that it is morally right to do so. Our generations have a real opportunity to make a big impact in this area. Because of globalisation and because of what we know, the discrepancies of opportunity and wealth around our world today are obscene and we have the ability to do something about those discrepancies. That is, if you like, the moral case.

However, the second point is that it is absolutely in our national self-interest to support strongly the cause of development in some of the poorest and most difficult parts of the world. I want to make that point very clearly; this is not only an issue of morality, although that in itself is a sufficiently important reason for many of us to give support, but an issue that is of absolute importance to our national self-interest.

The document that I have given a hard copy of to the Minister of State is the Conservative party's Green Paper on development, "One World Conservatism"; I should point out that he is handling it with a pair of tongs, as it were, in his seat. I hope that it eloquently makes the two points that I have made about the importance of international development. However, it also makes the point that we will only maintain public support for this spending if we are able to demonstrate through independent evaluation that the money is really well spent—that for every 100p we take from the hard-pressed British taxpayer, they are receiving £1 of real value. Independent evaluation, which I have been banging on about tediously for the last four years, is absolutely essential if we are to maintain public support for this vital development budget. We need value for money and transparency. Transparency is important, because we need to hold ourselves accountable not only to the British taxpayer but to the poor people in the developing world who we are trying to help. That is why transparency, as well as value for money and independent evaluation, is so vital.

The second point that my hon. Friend made in his opening remarks was about the countries to which we are giving support. I think that DFID is currently giving support to 102 countries around the world. We have made it clear that if we were to win the general election, we would immediately set up a review of every country that is receiving support from the British taxpayer through the development budget, to ensure that that money is well-focused.

My hon. Friend was asked about India after he mentioned China, which the hon. Member for Berwickshire, Roxburgh and Selkirk discussed as well. The Conservatives said some time ago that if we are elected, we will stop aid to China, which recently spent £20 billion on the Olympics and which, thanks to the international trading system, is roaring out of poverty. India seems to be a different case. There are, after all, more poor people in India than in all of sub-Saharan Africa. It is a country with which we have deep historical links through the Commonwealth, and it is in a different position. In the event of a Conservative victory at the election, that would be a matter for discussion under review.

Turning directly to my hon. Friend's comments about the importance of microfinance, I associate myself entirely with what the hon. Member for Mid-Dorset and North Poole said. She and my hon. Friend spoke eloquently about the vital importance of microfinance in poor countries as well as in less poor ones, where the principles of microfinance can be enormously valuable. Not only does it help people to help themselves, as my hon. Friend said, but it goes directly to women. As I hope to explain in my remarks, it is women in every sphere of activity who bear the brunt of poverty throughout the developing world and who are particularly helped by microfinance.

In terms of our support for microfinance, I draw my hon. Friend's attention to page 40 of the Conservative Green Paper on international development, where we say strongly that the lessons learned about how to make microfinance as effective as possible are important, and that we will embrace them and do everything that we can to help spread microfinance's beneficial effects.

Professor Yunus, the father of microfinance, first became heavily involved in it three decades ago and founded the Grameen bank. Some 160 million people in the developing world now benefit, but I should point out that according to a recent World Bank report, 3 billion people in developing countries have no access to formal financial services. We need to ensure that we do everything possible to spread that access to help people increase their incomes and improve their lives.

In his excellent book "Banker to the Poor", Yunus wrote about how he started the approach that led him to set up his bank, which demonstrates many of the most important aspects of how microfinance works. I had the pleasure of spending a day with Professor Yunus some time ago at the Grameen bank in Bangladesh, where I saw many of the characteristics that have made the bank and his approach to microfinance such a tremendous success. The bank has 6.5 million borrowers, 96 per cent. of whom are women, lends more than £2.5 billion and achieves a recovery rate of 98 per cent.

that that was a higher recovery rate than that of Barclays bank, but in view of recent events, I think that it is no longer appropriate to make that point.

My hon. Friend made the critical point that microfinance helps people to help themselves, empowers women, is self-sustaining and provides financial services to the poorest. He also said that it underlines an eternal truth about development: although conflict, dysfunctional societies and bad leaders are the key reasons why people remain mired in poverty, wealth creation, private enterprise, property rights, the rule of law, contracts and an independent judiciary, as the Liberal spokesman also said, all help lift people out of poverty.

My hon. Friend's point about the importance of free trade reminds us that we should not give up on the Doha trade round, which was originally conceived in the aftermath of the terrible events of 9/11 and was always meant to be a development round. We are close to making significant progress on it. In my view, Ministers should redouble their efforts to ensure that the Doha round gains are not lost. There is no authoritative survey that does not show that success in the Doha round would make everyone in the world—rich and poor alike—richer. Perhaps the Minister of State, in replying to this debate, will say a word or two about where the Government stand in respect of the Doha round. The negotiations are carried out not bilaterally but through the European Union, of course, but I am sure that the House would welcome his comments on where we are.

Some of us have seen microfinance in action. In Bangladesh, I saw how microfinance can reach even the poorest of the poor with considerable effect. I saw the work of BRAC, still the biggest non-governmental organisation in the world. A couple of weeks ago, in Athar village in the Punjab, I saw the direct results of microfinance on the community. It has allowed the start-up of small enterprises, some of which I sampled, and lifted the standard of living in that poor community. There is now clean water for all the local population, and 100 per cent. of the children attend primary school. That is a direct effect of the microfinance approach.

Other innovative approaches are being taken as well, not least by RESULTS UK, a brilliant British organisation. Kiva.org offers peer-to-peer loans to entrepreneurs in developing countries. It is a model of transparency and public engagement. Some $170 million of loans have been made through Kiva, with 661,000 lenders and 290,000 recipient entrepreneurs. It achieves a repayment rate of 98.27 per cent., and 83 per cent. of loans are made to women. Hon. Members might be interested to know that that remarkable endeavour's youngest lender is one year old and its oldest is 101.

Through GlobalGiving.org.uk, members of the public can choose where they invest, including in microfinance. My hon. Friend referred to the Arcubus bond, and the Liberal Democrat spokesman mentioned the CDC announcement and the recent International Finance Corporation aim to raise money for microfinance. A bond issue targeted at Japanese investors to support microfinance programmes has made $300 million. The IFC is considering raising funding in the European bond markets as well. New delivery technologies such as branchless banking through mobile phones are highly innovative efforts to take forward the microfinance agenda and reach the poorest in communities throughout the world.

I congratulate my hon. Friend the Member for Cities of London and Westminster on an interesting contribution to an important debate and on reminding us of the importance of the international development budget and the absolute importance of the private enterprise, free market development agenda, which is so important in helping people lift themselves out of poverty.

10.38 am

The Minister of State, Department for International Development (Mr. Gareth Thomas): In the usual way, I congratulate the hon. Member for Cities of London and Westminster (Mr. Field) on securing this debate. I also congratulate my hon. Friend the Member for Chorley (Mr. Hoyle), the hon. Members for Castle Point (Bob Spink) and for Mid-Dorset and North Poole (Annette Brooke) and the Opposition spokesmen, the hon. Members for Berwickshire, Roxburgh and Selkirk (Mr. Moore) and for Sutton Coldfield (Mr. Mitchell), on their contributions.

I will reply to a number of the observations made by the hon. Member for Cities of London and Westminster before I come to the substance of his remarks. I have been interested in microfinance for a considerable period, starting in part with my chairmanship of the UK Co-operative party. The Co-op party has a long-standing interest in credit unions and social enterprises that can help enable access to low-cost finance for people in the UK.

The hon. Gentleman made some interesting remarks that, in a sense, highlighted the continuing potential for microfinance, not only in developing countries, but here in the UK. I hope he will forgive me if I draw the attention of my right hon. Friend the Secretary of State for Work and Pensions and her ministerial team to his remarks about the potential for microfinance in the UK. For a short period, I was responsible for consumer affairs as well as development—an interesting mix if ever there was one—and as part of that I considered what else we could do to crack down on illegal moneylending. That involved helping to ensure not only that responses from the police, housing associations and so on were clear and united, but that effective alternatives to the use of illegal moneylenders became increasingly available. I was delighted that the Treasury made additional finance available for cheap loans, but I suspect that my right hon. Friend will be able to do more justice to the potential for microfinance in the UK than I can during this short debate.

Some time ago, I had the privilege of meeting Professor Yunus and sharing a platform with him. There is no doubt that the work of the Grameen bank has inspired a considerable interest in microfinance and its potential across the developing world. As other hon. Members have described, microfinance has been taken up by organisations such as RESULTS UK, which does an excellent job.

However, I must part company a little with the hon. Gentleman: I do not think there is a choice between aid and trade. That is a false choice. There is both a role for aid to encourage trade and a role for trade—indeed,

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developing countries. We can use aid budgets to do many things to help accelerate the development of trade, and we are considering exactly that. I would not want the House or those who follow our proceedings to run away with the notion that the Department for International Development does not face tough questions. We are regularly examined by the Public Accounts Committee and the National Audit Office, and there are a series of different ways in which our various programmes are evaluated. As a Minister in DFID, I have certainly never felt that I am not under scrutiny all the time—I know my officials have a similar view.

The hon. Gentleman raised the interesting subject of the debates taking place in some quarters about whether we should continue to give aid at current levels. The hon. Member for Sutton Coldfield pointed out that, of course, there is a very strong moral case, of which Haiti is the latest reminder. However, in the past five or 10 years alone, the notion that we can stay within our island and not worry about what happens in countries around the world has disappeared, if it were ever true before.

The hon. Member for Castle Point brought home the truth of that with his reference to Afghanistan. We know that drug lords in Afghanistan have occasionally been the only source of credit in local communities and that 90 per cent. of the heroin that ends up on Britain's streets starts off in the opium poppy fields of Afghanistan. To bring us back in a circular route to the debate, the microfinance programme that we are supporting in Afghanistan, which has helped more than 440,000 Afghans to get access to loans, is just one way that aid for another country can help to make a difference and protect the UK. So there is both a moral case and a case in terms of our self-interest for continuing to invest in development assistance.

The hon. Member for Cities of London and Westminster made a number of comments about Bangladesh and the size of the aid programme there. I do not accept that our aid programme in Bangladesh is in some way unaccountable, but I accept his point that we must keep the number of programmes we have under review at all times. I will obviously draw his remarks to the attention of the Under-Secretary of State for International Development, my hon. Friend the Member for Worcester (Mr. Foster), who has responsibility for our programmes in Bangladesh. However, I suspect that the nature of the hon. Gentleman's visit meant that he did not have a chance to have a lengthy conversation with staff in Bangladesh. That might have given him more reassurance about the way in which we are keeping what we do in that country under close review.

Nevertheless, I welcome the opportunity that this debate provides to raise awareness of the difference that microfinance can play in transforming the lives of so many of the world's poorest people. Roughly 2.7 billion people have no access to formal financial services and instead depend on an income that is both irregular and unreliable. As other hon. Members have said, those people sometimes also depend on risky informal financial services, such as rogue moneylenders.

Across Africa, fewer than one in five people use formal banking, and in countries of particularly acute poverty the figure is fewer than one in 10. As other hon. Members have said, that makes it harder for such people to start businesses or to contribute to their country's economic growth, and it makes them particularly vulnerable to natural disasters. For many people, a small loan and a savings account can make all the difference. As we have said, access to those things can prevent a farmer from being forced into opium cultivation, a child from being sent out to work instead of getting a proper education or, indeed, a local business from having to stay small rather than expand and create more jobs.

We need to recognise the potential and the limits of microfinance. Microfinance is not the only type of financial service that we need to increase the reach of, but nevertheless it is an important one, which can lead us to recognise that poverty and risk do not have to go hand in hand. The real challenge for those involved with microfinance is one of sheer scale, and in order to achieve depth and breadth of reach a number of things must happen. First, banks and investors must get more involved in the sector. In recent years, there has been some positive progress in that direction and many international banks have already increased their participation in the sector—more than 100 microfinance investment funds have been set up—but we need more of that to meet the level of demand.

Secondly, Governments and regulators have a responsibility to remove any unnecessary policy or legal barriers to the expansion of financial services. Through our funding of the financial sector reform and strengthening initiative, DFID is providing help on regulatory issues in the financial services sector to more than 60 countries. Governments are also in a position to test new technology, such as using branchless banking to pay wages and pensions, which can help the extent of the reach of microfinance initiatives. There is no reason why branchless banking—perhaps using mobile phone technology—could not be extended to microfinance. Customers would benefit from the speed and ease of access, and banks themselves would enjoy greater flexibility.

Thirdly, Governments can encourage the private sector to set targets for extending access to financial services to more poor people. For example, in India, just four months after the Government had urged banks to offer no-frills accounts to low-income people, 500,000 such accounts had been opened. That needs to be replicated across the developing world although, of course, we must recognise that no two countries have identical requirements and the solution must always be tailored to meet specific needs.

Fourthly, we need to teach more people about financial services. Some people can feel ill-informed, anxious or confused when dealing with financial matters. That is particularly relevant when talking about people in the developing world who may be using financial services for the first time. However, it is also relevant to people here in the UK, which is one of the points the hon. Gentleman implicitly made. With regard to the developing world, that is why we set up a financial education fund over a year ago to help people across Africa to understand better the financial choices available to them.

The provision of financial services brings its own challenges, and microfinance businesses might need help and guidance as they expand their reach, so the Department, together with the World Bank, is currently developing a fund, to which the hon. Member for Berwickshire, Roxburgh and Selkirk alluded, to support microfinance

providers in Africa. We want that fund to invigorate approaches to microfinance, encourage innovation and ensure that people have the training they need. Ultimately, that should mean that financial services become more widely available to those who have traditionally been considered unbankable. I have already discussed that initiative with the all-party group on microfinance, chaired then by the hon. Member for North Poole (Mr. Syms), and I remain ready and willing to listen to comments from any Members who have an interest in the matter.

I will now respond to some of the specific points that other hon. Members have made. The hon. Member for Mid-Dorset and North Poole, who usually chairs the all-party group that I mentioned, highlighted the important contribution that microfinance can make to the achievement of the millennium development goals, and I completely agree with her point. If we want to achieve the principal millennium development goal of halving the number of people living on less than a dollar a day, we must substantially increase access to financial services. Microfinance has a key role to play in that. She also made an important point about micro-insurance. That is one small part of helping communities and the world's poorest to be better able to withstand the rising impact of climate change globally, and that is one of the areas that we are working on.

The hon. Member for Berwickshire, Roxburgh and Selkirk mentioned the work that the Department is doing with CGAP, which is effectively the world's think-tank on microfinance. We are co-operating with 32 other donors on CGAP's work. He rightly drew attention to the impact of the global financial crisis on the world's poorest people. As Members of Parliament, we of course will focus first on the needs of our own constituents, but he is right to remind us that almost 100 million people, according to the World Bank's estimate, have been pushed into extreme poverty by the global financial crisis, the vast bulk of them in developing countries. Microfinance is clearly one part of our response to help get back on track to achieving the millennium development goals.

The United Nations Secretary-General is convening in September at the UN General Assembly a review of our progress internationally towards meeting the millennium development goals. Ten years in to that 15-year ambition to achieve those goals, that will clearly be a hugely important summit. I hope that by then we will have put into legislation our commitment to spend 0.7 per cent. of our national income on development assistance, because that will send a powerful signal to the international community.

Mr. Moore: On that point, may I say how much we welcome the publication of the draft Bill? Now that we have seen it, and seen that it is relatively short, can we not get it through before the election?

Mr. Thomas: I welcome the hon. Gentleman's support for the Bill and hope that the International Development Committee, whose job it will be to scrutinise it, and before which I will be lucky enough to appear, will be similarly supportive. We will wait to see what it says. I cannot speculate on when the general election will be called, and we have a series of other pieces of legislation to get through the House. If we cannot get the Bill through before the election, and if we have gone through the scrutiny process, why cannot all parties in the House commit to putting it on the stature book in time for the UN summit?

Mr. Andrew Mitchell: We have looked at the Bill and are happy to support it, as we have obviously made clear our strong support for the 0.7 per cent. commitment, so let there be no question about that. I wish to ask the Minister a question that the International Development Committee might wish to pick up. The Bill, which I have read carefully, states that if the Government do not bring forward 0.7 per cent. of spending by 2013, the sanction upon them is that they should come to Parliament and report, under three different headings, why that target has not been reached. That does not sound to me like a very strong commitment to the 0.7 per cent. target. Why is the Bill not much clearer, more succinct and tougher than that, in accordance with the commitment that the Prime Minister made to the House?

Mr. Thomas: I am not sure what amendments the hon. Gentleman is suggesting, but I will be happy to listen to specific suggestions from him or the International Development Committee. We have made clear our determination to achieve the 0.7 per cent. target, but I have never been entirely convinced that his party, when in power—not that I think it will get into power anytime soon—would follow through on that commitment.

That brings me to several points that the hon. Gentleman made. I will start with his questions about the Doha development round. As he knows, in July 2008 we were very close to getting an agreement on the headlines—the modalities—of a trade deal. Pascal Lamy, the head of the World Trade Organisation, estimates that we were 75 per cent. of the way towards a deal, and we have come close several times to being able to see Trade Ministers meet. We secured agreement in the G20 meetings that there would be a stocktake in early 2010, and we await word from Pascal Lamy on when that will take place. There was a ministerial meeting of the WTO in Geneva in late 2009, and while the Doha round was not formally discussed at that meeting, it was discussed in a series of bilateral talks in which we and other countries pushed for further progress. Meetings of officials continue to take place in Geneva and I hope that Pascal Lamy will feel sufficiently confident about the progress that has been made to bring Ministers back to Geneva to try to reach the final part of the agreement that we need.

As the hon. Member for Sutton Coldfield rightly said, there are huge potential benefits for not only developed countries, but developing countries. The example of cotton is perhaps the most graphic. Countries such as Mali and Burkina Faso, which depend on cotton exports, could see huge potential increases in the level of cotton exports if we could only make progress on getting cotton tariffs brought down, particularly in the US, in some parts of Europe and in other OECD markets.

The hon. Gentleman also rightly mentioned Haiti. As the Prime Minister said at questions last week, we clearly need a review of how the aid effort has worked in Haiti. I humbly recommend to the hon. Gentleman a recent speech I made on that issue at the Central Emergency Response Fund conference in New York last December on average, we see disasters of the magnitude of that which has struck Haiti once a year, as well as a series of

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other emergencies, so we clearly need to look at what else we can do to increase the effectiveness of the international aid system. I am grateful to the hon. Gentleman for giving me a copy of his Green Paper—it will continue to be a useful guide for him when he is still doing the same job in opposition after the election.

Horn of Africa

11 am

Mark Pritchard (The Wrekin) (Con): I am grateful for the opportunity to raise this important matter in the House. The security of the Horn of Africa is critical for wider geopolitical stability in Africa, the middle east and here in the United Kingdom. There has been a lot of focus in the past few weeks on Yemen, which is just a short boat ride across the Gulf of Aden. This attention is justified, but I hope that although increased attention is given to Yemen, the fragile and delicate security situation in the horn of Africa will not be overlooked. If the horn fails to attract the political attention that I believe it merits, I fear that the UK will rue its decision.

As an avid Africa watcher, increasingly my view is that the key challenge facing Africa is neither the continent's lack of natural resources—many of its countries have plenty of natural resources—nor its lack of innovation or entrepreneurship of its wonderful peoples, who are intelligent, creative and adaptive; neither is it its often challenging natural geography and topography nor even its poor governance, which hopefully is diminishing in increasing numbers of countries. I pay tribute at this point to the Commonwealth Parliamentary Association and the Inter-Parliamentary Union for their part in parliamentary capacity building.

My main concern is a malicious virus sweeping throughout Africa and especially through the horn of Africa, which does not discriminate between men and women, adult and child, young and old, or between Muslim and Christian. This virus eats away at the fledgling ambitions of Africa's farmers and small businesses, artisans, scientists, poets and songwriters, and at the dreams of its children and youth. The virus would, if successful, stop the clock on Africa's progress and turn back the hands of time. Of course, I speak of misguided and perverse extremist Islam—false Islam—and jihadism, both Islamism and Wahabism, along with its various franchises, affiliates and proxy footstools.

Today I hope to set out, albeit in the limited time of this debate, why the radicalisation of Africa must not be allowed to succeed and why the costs will be high not only for the horn and the continent as a whole, but for Europe and the United Kingdom. Such an outcome would return millions to poverty, put a near immediate brake on successful immunisation and health programmes, halt the extension of universal education and extinguish the struggling flames of young and fledgling democracies.

The UK has both a duty and self-interest in ensuring that it does all it can to stand with those African Governments and individuals who make a stand for freedom from terror, freedom to live in peace and prosper, and freedom to choose and remove Governments—government for the people and by the people—without fear of slaughter, murder and mayhem.

Let me be clear. I hope that the leaderships of all radical groups will some day soon come in from their hideouts in caverns, caves and cyberspace and realise the error of their ways. Leading Muslim countries have a key part to play in this enlightenment, engagement and counter-radicalisation process. But it is worth noting that many extremist groups neither accept arbitration as a means of resolving hostilities, nor subscribe to

conferences and negotiations: they train for terror and live for terror and they die in a bloody witness of terror.

In respect of extremist groups and terrorism in Africa, one of the great and misleading propositions is that a resolution of the Arab-Israeli conflict would lead to the terror groups disbanding. This is an inaccurate reading of all the evidence. That claim is merely a convenience for radical groups that want to court mainstream Muslim legitimacy and attract external funding. Their thoughts about Palestine are secondary to their immediate and near-abroad strategic goals and aims, which are both political and jihadist in outlook.

Even if the Arab-Israeli conflict were resolved today, terrorist acts against the west and Muslim majority Governments would not cease. Indeed, they may even intensify, unleashing terror against any Government or person, Muslim and non-Muslim, who is unprepared to conform to a particular view of extreme political Islam. Further, a Palestinian resolution would also be unlikely to stop Iran continuing to fund terror groups: the stated aim of President Ahmadinejad is to

"wipe Israel from the face of the earth",

not to bring about a successful two-state solution.

Poverty and lack of education alone cannot be cited in the terror organisations' defence. Yes, many operatives are impoverished, poorly educated and disfranchised, but that is not uniquely so. We know that many of the creators of terror groups often came or come from middle-class and professional backgrounds—well-established backgrounds. Poverty may be one driver, but, conversely, the availability of or access to wealth is not a single antidote: UK jihadists perhaps underline that point. The causes of radicalisation are wide and varied. Although no doubt poverty and corruption and other such issues play a part, the causes are complex and varied.

The Israeli-Arab conflict contributes to radicalisation, but it would be a strategic error and arch gullibility not to recognise and call jihadism what it is: a political ideology mixed with heresy that is advanced on the platform of jihad, aided and abetted by tribal chieftains and brutal warlords and the inglorious vanity of national leaders and external disrupters in the horn of Africa.

Sudan has a huge amount of natural resources and potential and could, with the right governance and internal settlement, become one of the continent's most prosperous countries. But such prosperity will not materialise if important political, administrative and diplomatic steps are dismissed or regarded as unnecessary and inconvenient. That is why this April's elections are so important.

I have serious concerns about the voter registration process and the means by which up to 2 million people living in the north will be required to take a long journey to the south, using poor infrastructure, to register and cast their vote. There needs to be a cast-iron guarantee that those people who make that long journey to the south will be allowed to return to the north of Sudan without harassment or complications. The Sudanese Government also need to ensure freedom of speech and assembly and the end of arbitrary arrests, otherwise the Opposition parties may cry foul.

The Sudanese Government need to avoid setting the scene for a disputed election result in April, which in turn could lead to the abandonment of the 2005 peace process settlement. Such an outcome would be catastrophic for Sudan and the region as a whole. Similarly, if the National Congress party forms the national Government, it should ensure that it honours the agreement on the content, process and timing of the national referendum, in just 12 months' time. The next few weeks and months will take real political leadership in Sudan, and history will judge its leaders in that light. Sudan might prove to be one of the toughest foreign policy challenges for an incoming United Kingdom Government of whatever political colour in May.

That leads me on to Somalia. I hope that the British Government will continue to do all they can to ensure that the transitional Government in Mogadishu not only survive but develop into a fully functioning Government—a Government who are able to take head-on the foreign-backed al-Shabaab and other al-Qaeda affiliates. That is a jihadist militia that assassinates, beheads and blows up fellow Muslims. Who kills young doctors, whose training is only to help the ill, suffering and dispossessed people of Somalia? Al-Qaeda cannot be allowed to establish a caliphate of Greater Somalia. Not only is that against the will of the majority of the Somali people, but further regional conflict with neighbouring Ethiopia and Kenya would, I believe, become a distinct possibility, perhaps within three to five years.

The stakes are very high. Those jihadists will not be content with Mogadishu and Somalia. They want to spread their heresy and misery to Addis Ababa, Nairobi and other capitals in the region. That is the primary reason why I applied for the debate—an attempt at a stark wake-up call that unless more action is taken to assist Governments such as that of Somalia, whom I fully accept have their own imperfections and complexities, the alternatives will not only be bad for the people of Somalia, but strike a severe blow at this nation's national security. It is time for more action to be taken to track, contain and isolate these threats, albeit multiple threats.

The war on terror—that is what it is—cannot be viewed through the prism of bean counters in the Treasury. It must be viewed with intensity, realism and recognition of the magnitude of the threat and the catastrophic consequences of failure. The Treasury cannot allow the United Kingdom to fail. It cannot undermine this nation's national security.

Our European partners should also wake up and do far more. I also hope that Japan might see its shipping interests as a good reason why it could fund groundwork projects, employment generation and capacity-building schemes in Somalia. The Japanese have been particularly helpful in providing funding in Afghanistan and other parts of the world.

At this juncture, I should like to praise the efforts of the African Union in Somalia and, in particular, the Governments of Burundi and Uganda for the 5,000 peacekeepers whom they retain in the country. The AU's presence is vital, and I hope that Nigeria and other key AU members will contribute further to ensuring that Somalia's transitional Government survive and that the Governments of Uganda and Burundi remain committed to the mission in Somalia.

The British Government also need to be far more interventionist, robust and proactive in neutralising the fundraising capabilities of a minority of Somali nationals in London who are sending funds back to Somalia to

[Mark Pritchard]

sponsor terror. Similarly, the right to travel of any British citizen should be withdrawn if there is reasonable suspicion that they are likely to enter Somalia or other countries to train for acts of terrorism. I also think—I shall speak slowly here—that for any direct-line family member of anyone found guilty of certain terrorist offences who is proven to have had the probability of reasonable access to knowledge that their family member was to prepare and/or train for terrorist activity, any outstanding visa applications, asylum claims or application for UK citizenship should be refused. If parents can be prosecuted for their children playing truant in the United Kingdom, far more legislative imagination could be used to bring pressure to bear on would-be murderers of UK citizens through family members who are found to be either complicit in or culpable of their activities.

I want to discuss Ethiopia, and I declare an interest in that I recently visited Ethiopia as a guest of its Government; that should appear in the next week or so in the Register of Members' Financial Interests. I think we can all agree that Ethiopia is the big beast of the horn of Africa, with its long history and long borders. What happens in Addis Ababa matters, not just because it is the home of the African Union, or because of its large population, but because for the best part of the past decade it has been one of the most stable countries in the horn. Obviously there is a continuing issue concerning Eritrea, and there are internal issues too, but certainly in recent years there has been comparative stability, albeit a fledgling and occasionally stumbling stability. That is one of the best examples of representative Government in the horn at the moment.

Jeremy Corbyn (Islington, North) (Lab): Was the issue of the border dispute with Eritrea raised during the hon. Gentleman's discussions with the Government in Addis Ababa, and does he have any hopes that the Permanent Court of Arbitration ruling will be accepted by both sides?

Mark Pritchard: The hon. Gentleman always makes a sensible and thoughtful contribution when he intervenes in debates. I shall come on to that matter in a moment, but it would help if the court were to make the effort to visit the border, and if it did not make judgments based on a map in a room in a European capital. The question was raised, and I discussed it with the Foreign Minister and leading representatives of the Government, but I shall come on to that.

For the reasons I have given, the process of, as much as a peaceful outcome to, the forthcoming elections is very important. I hope, as does the whole international community, that a repeat of the arrests and killings of 2005 will be avoided at all costs. Not only would an irregular general election in Ethiopia be a bad outcome for its people; it might also create the danger of destabilising an already fragile region. I want to make it clear that I fully recognise the efforts of the Government of Prime Minister Meles. Since 1991 infant mortality has fallen by half. Life expectancy is also up, as is school attendance. However, democracy and human rights need to expand and mature, as does the independent voice of non-governmental organisations. I have my concerns about the civil society Act and some of the resulting restrictions on advocacy groups and non-governmental organisations in Ethiopa. Progress has been made, but more is needed, and it is needed far more quickly. It is vital to the whole of the horn of Africa that the United Kingdom and its partners should do all they can to ensure that Ethiopia remains stable.

That is why Eritrea is a vital part of the equation. Perhaps the chaos and tragedy that is modern day Eritrea would not be as bad as it is if it were not for the continuing interference of two of Britain's so-called friends, and possibly allies—Libya and Qatar. Yes, close co-operation with both Governments is important, but that should not mean the United Kingdom Government turning a blind eye to the funding of the Eritrean regime or the destabilisation of other parts of the horn region, as Eritrea does its work often by proxy. The Eritrean Government's aggressive and intransigent posture against Ethiopia is particularly unhelpful to the region. The Government of Eritrea need to stop using the border dispute with Ethiopia as a means to keep their citizens in a perpetual state of anxiety. That is why I welcome the United Nations arms embargo. I hope that it will be monitored particularly closely. It must be effective; it must work. I have a message for the leadership of the Eritrean Government: the Eritrean people want peace, not war. They want food, not more guns and bombs. They want an end to the siege of their blighted lives, which have been bruised and crushed by a confused, unimaginative leadership. They want an end to the provocation of neighbours, including Djibouti. Despite denials, Iran's dark hand casts a long shadow over both Asmera and Aseb.

Regional security in the horn of Africa remains fragile, but it need not deteriorate further. Whether that happens will depend in large part on the responsible or irresponsible actions of Qatar, Libya, Saudi Arabia and, most notably, Iran. It will also very much depend on the strategic view that the United States, the European Union and the Government of the United Kingdom take on the question of whether the horn matters. I believe that it does matter. It should not be the victim of strategic drift at the Foreign Office or of the failure to allocate the necessary resources from within existing budgets to identify and tackle those elements in the region that are undermining the UK's national interests and security.

Finally, if the British Government believe that freedom is a universal right, as I believe the Minister does, because he is a decent man, who has taken on his Foreign Office role very capably, the UK, when invited—that is key—has an international obligation and a human duty to defend those rights and freedoms.

11.22 am

Jeremy Corbyn (Islington, North) (Lab): I thank the hon. Member for The Wrekin (Mark Pritchard) for securing the debate, because this is an important issue. Unfortunately, it has not been the subject of many debates in the House, although I suspect that we will return to it in the foreseeable future because the situation in the region is not good by any stretch of the imagination.

It is well known that I represent an inner-London constituency, and a significant population from Somalia, Eritrea, Ethiopia and Sudan live in the community. The instability throughout the horn of Africa and the poverty that many people face there is therefore very real for

many of those in my community. The asylum seekers and others whom I meet, who have been resident in my borough and other parts of London for a long time, have often been traumatised by their experiences and the abuses that they have suffered in Somalia and other places. None the less, people in the settled Somali community have a real wish and desire to make the best of their lives here, and they make an enormous contribution to our living standards and way of life. We have to recognise that that diversity is a strength, not a weakness.

I followed the hon. Gentleman's remarks closely. Although there are many analyses of what is happening throughout the horn of Africa, one should not ignore the region's colonial heritage. Ethiopia managed to avoid being colonised at any stage by the European powers so it has a special place in the lexicon of African history and culture. However, the surrounding countries were divided up quite callously at the Congress of Berlin in 1884, when straight lines were drawn on maps. There was another divvying up after the first world war and again after the second world war. That colonial heritage is not the sole cause of all the problems in the area, but it is a contributory factor to the instability and the problems.

One should not forget that the cold war was fought by proxy. In the wars surrounding Ethiopia and the battle over the Ogaden, massive amounts of armaments flooded into the area from the Soviet Union and the United States. That led to a great deal of instability. That instability still continues, albeit in a slightly different guise. The whole area is a victim of its history.

There remain a couple of subjects that I wish to raise, but essentially I am interested to hear the Minister's reply, and to find out what degree of engagement this country proposes for the future in order to bring about or encourage some form of peace and stability in the region.

The people that I talk to are victims of everything. They are victims of colonialism; they are victims of the cold war; they are victims of instability; and they are victims of poverty. Everyone on the planet deserves rather better than that. The longer the instability goes on—principally in Somalia, but not exclusively—the more it will spread into neighbouring countries. I think particularly of the Somali people who feel forced to migrate to Yemen in order to escape what is happening in Somalia, although the situation in Yemen is not good at present.

Mark Pritchard: Does the hon. Gentleman accept that although the problems would not necessarily disappear, the current fanning of the flames might turn to shallow embers if the dark hand of Iran was not over the horn of Africa? Notwithstanding the Iranian nuclear issue, the malevolent, oppressive and destabilising influence of Iran is seen not only in Latin America, central America, the Balkans, Lebanon, Afghanistan and Iraq, but in the horn of Africa, where it has been very active over the last 24 hours. If Iran were to be removed from that region, there would be at least some hope for the continent.

Jeremy Corbyn: I am not in favour of anybody interfering in the horn of Africa if it makes the situation worse. The hon. Gentleman probably ascribes to Iran a rather greater power than it has. Nevertheless, influences at work throughout the region are not necessarily positive. One should look towards building political solutions in the horn of Africa rather than indulging in a blame game, and blaming everybody else in the region. A process of involvement rather than isolating all those Governments might be a better approach. That would include Iran as much as Eritrea or Somalia.

Mark Pritchard: Given Iran's internal problems—its young people being addicted to drugs and its economy in a real state—does the hon. Gentleman agree that the Iranian Government should focus more of their political attention and some of their limited resources on dealing with their internal problems rather than destabilising the region? He mentioned Eritrea, which is being particularly unhelpful in sending arms and extremist groups into Somalia. That has not helped. I hear that in the last few hours, Somalia has been very much involved in sending al-Qaeda affiliates to Yemen, yet we know that Yemen has a direct impact on this nation's security. If Iran is taken out of the equation, it would help matters considerably.

Jeremy Corbyn: I am absolutely not in favour of Iran or anybody else developing nuclear weapons. I understand what the hon. Gentleman says about the economic situation in Iran, its problems with drugs and the human rights problems that exist there. However, I think that we might differ on whether we should engage more not only with the Iranian Government but with a range of people there as a way of promoting engagement rather than promoting isolation. The more one promotes isolation, the more it gives space for those characterised as extremists to gain political power. We might differ on degree, but that is something that should be considered.

I have mentioned the role of the west and the matter of the cold war, but there is also a sort of rubric and policy, both in the European Union and the United Nations, that the problem is Africa's and should therefore be left to the African Union to sort out, even though the African Union—as wonderful and as great an institution as it is—lacks the necessary resources to be able to do it. It is easy for the west to say that African peacekeeping forces should go in, but when those forces turn out to be largely from Ethiopia and one considers the previous wars over the Ogaden in which Ethiopia was involved, one has to wonder whether it is such a clever idea to send Ethiopian forces into Somalia when there are previous disputes over territory between those two countries. Might it not have been better to send in some more obviously neutral forces at an earlier stage? I accept that forces have come from Burundi, Rwanda and Uganda, but the initial very large deployment of Ethiopian forces has not been terribly helpful in building a feeling of reliability among the various elements of government in Somalia.

On the question of Somalia, the collapse of the Siad Barre regime and the disputes between Somaliland and Puntland in the southern part of Somalia obviously go to the heart of the problem. The violence is much greater in the south around Mogadishu and in the north around Puntland than it is in Somaliland itself, which is relatively stable—I use my words advisedly and carefully here. The west has put much emphasis on supporting the transitional Government in Somalia, and the Obama Administration appears to be even more supportive than previous US Adminstrations. Although I can see where it is coming from and why it is trying to achieve

[Jeremy Corbyn]

it, we must ask whether the transitional Government are representative of the people of Somalia. How effective are they and how much land do they control? Are we not in danger of fuelling an even greater war there? Is there not a necessity to revisit the concept of a longer-term peace conference on the issues surrounding Somalia and its instability?

The recent Amnesty International document on international military and policing assistance states that the whole policy should be reviewed in respect of Somalia, because it feels that the substantial arming of the transitional Government that is going on is possibly in danger of fuelling an even worse situation, rather than making the situation better. We must consider the issue carefully. If we pour a lot of arms into the area, we must ask what happens to them afterwards.

There was an interesting article in *The Guardian* on 22 January by Murithi Mutiga, entitled "Yemen: lessons from Somalia". In it, he said:

> "The path to peace in Somalia lies in separating these forces and pursuing a settlement with the more political and realistic members of the Islamist movement. Analysts such as Abdi place the likes of Sheikh Aweys and his Hizb Ul Islam offshoot of Al Shabaab in this bracket."

He went on to say:

> "If the pragmatists in the Islamist movement are persuaded to join a government of national unity that can craft some sort of peace deal, that would make a bigger difference than any number of millions of aid poured into the country after an international summit."

Essentially, his plea is that Islamist forces in Somalia—perhaps not all of them—should be involved if a longer-term peace is to be found. It is something that may be difficult for some people to comprehend, but it is an issue that cannot be ignored or wished away. As the hon. Member for The Wrekin pointed out, the implications for the region and everyone else of further and worse instability in Somalia are very grave indeed.

The last point that I want to mention concerns Eritrea. There is a substantial Eritrean community within my constituency, and I have obviously met and held discussions with many of its members. It is surprising that the UN resolution on arms, travel and banking and financial embargoes against Eritrea received very little publicity in any of the newspapers in the world, because it was a major decision that was taken by the UN Security Council. Might not such a draconian measure against the Eritrean Government be utterly counter-productive in the long run if there is no process of greater engagement?

When I intervened on the hon. Member for The Wrekin, I made a point about the border dispute with Ethiopia, which is unfortunate, to put it mildly. It has cost the lives and money of an awful lot of people and ought to be resolved. Indeed, that was the whole point of the Court of Settlement. The lack of a resolution provides a huge propaganda victory for the Eritrean Government because of Ethiopia's apparent refusal—this is why I intervened on the hon. Gentleman—to accept the arbitration agreed by both sides as binding.

Mark Pritchard: Notwithstanding the many Eritreans in the hon. Gentleman's constituency, does he not accept that the Eritrean Government, as I said in my speech, might also want to use the border dispute to maintain a permanent state of emergency or to keep the people in a permanent state of anxiety to suit their own purposes? The border issue, although important, is not due to the recent talks. The progress made on the border dispute is the primary reason why Eritrea is acting as it is. It is an internal rather than a border issue.

Jeremy Corbyn: The point that I was making—perhaps I did not put it well—is that the lack of a settlement to the border dispute has led both Eritrea and Ethiopia to use the issue as a cause of national discord. As both parties agreed to go to arbitration and an arbitration settlement was made, it is surely incumbent on both parties to accept that settlement and implement it. Surely that must be the right way forward. The lack of a settlement is a useful cause célèbre, as the hon. Gentleman was trying to point out.

When the Minister replies, will he indicate what degree of economic aid and support this country and others can provide to help break some of the cycles of poverty in the region? Essentially, however, it is a political problem that must be addressed with a political solution. The area is not unfertile; the seas are not without fish; the land is not without minerals. There are opportunities for a much better standard of living. The area also has an extraordinarily rich cultural history. However, if we do nothing and the situation worsens—if the abuses of human rights, hijackings, kidnappings, warlords and all the other aspects of an inoperative state continue—the instability will clearly spread more widely, including to Yemen and other places. I wonder whether we are not sometimes too simplistic in looking at goodies and baddies, and whether a much higher degree of involvement is needed.

I conclude by differing with the hon. Member for The Wrekin. The beginning of his contribution seemed to be almost a counsel of despair that the war on terror must be pursued all over the place. I do not think that it has been overwhelmingly successful in either Iraq or Afghanistan. It certainly has not been successful in bringing about a settlement of the problems faced by the Palestinian people. Surely we must engage much more and recognise the causes of the instability and the heritage leading to it.

Above all, we must overcome the huge disparities between rich and poor in that part of the world, and between that part of the world and the rest, which is one of the factors involved. I meet the victims of the conflict, as do many others in the House. They are the people who suffer loss of homes, family, friends and livelihood and are forced to migrate. They do not necessarily want to be forced out of their own country; they want to be able to live in peace in that society. I think that we should do what we can to support them in that wholly human and decent aspiration.

11.40 am

Mr. Edward Davey (Kingston and Surbiton) (LD): One of the great benefits of the Westminster Hall forum is that one can come and listen to colleagues who know an awful lot about a subject either because they themselves have visited a particular country or because they have populations in their constituency who are from the country that they are talking about and they have worked with those populations, so that over a period of time they have really begun to understand the issues

affecting that country. Consequently it is great for Front Benchers to be able to listen to that experience and knowledge.

It is particularly good that the hon. Member for The Wrekin (Mark Pritchard) has brought this issue to the attention of colleagues today. That is because, as we think about Yemen this week with the conference on the country taking place in London, we should be worried about other areas where there is a potential for the "virus" that the hon. Gentleman described to take hold, so that those areas become a breeding ground for terrorists who not only threaten the people in those areas but security across the globe.

Therefore the hon. Gentleman is quite right to warn about that threat and to talk about the dangers of false Islam. However, I slightly want to play devil's advocate with him. No doubt he will be able to quote facts and figures against the sort of reading that I have done in my preparation for this debate, but I have come across the suggestion that the Islamic movements that we see in some parts of the horn of Africa are quite dynamic movements, which are changing all the time and which are not necessarily part of some sort of global jihad movement. There may well be some actors who fit that description, but equally there are many other actors who would not recognise any affiliation to some sort of global ideology in the way that the hon. Gentleman described. Indeed, quite a lot of people who are in the Islamic movement in Somalia or elsewhere in the horn of Africa are much more focused on trying to win power nationally. They are often part of a nationalist movement, involved in local disputes in their areas, and their links to al-Qaeda and that form of dangerous Islam are tenuous at best.

For example, I read a little of what has been written by one of the Chatham House experts on Somalia, Roger Middleton. He has said:

> "Shabaab and Hizbul-Islam are nationalist movements first and foremost. The commanders are fighting to control Somalia. Their agenda is local, not global."

That is not to say that those groups may not find links to other groups elsewhere, as the hon. Gentleman has described. However, trying to understand the intricacies of this Islamic movement is important as we debate the right policies to deal with the threat that it presents.

Mark Pritchard: Given the demands on the time and resources of al-Shabaab, one of the examples that the hon. Gentleman used, and his comments that it may not have strong links with global terrorist organisations, does he find it surprising that, even as we speak, al-Shabaab in Somalia is trying to make its way to Yemen to support its al-Qaeda brothers there as they take on the Yemeni Government and indeed the Saudis on the border?

Mr. Davey: I have no doubt that what the hon. Gentleman says is absolutely right. However, I just say to him that when people have looked at the Taliban in Afghanistan in much greater detail and read the comments of some of those people who have gone to Afghanistan and talked to the Taliban in all the different provinces of the country, as some of us have begun to do, the message that comes out is that the Taliban is not some sort of homogenous group, with a unified command structure, that works together with one shared aim. Instead, the message that comes out is that the Taliban is a very mixed, incredibly heterogeneous movement and I would guess that it is the same for al-Shabaab. I bow to the hon. Gentleman's greater understanding of this issue, but the fact that there may be one or two people, a group of people or a small militia going over to Yemen from Somalia does not necessarily mean that all the people who are behind that movement in Somalia subscribe to some sort of al-Qaeda network.

That is the only point that I am making and I am not even sure if I am absolutely right to do so. I will be frank; I have been reading what others who have spent their lives thinking about this issue are saying. A recent report from the Combating Terrorism Centre at West Point in the United States said that al-Qaeda had not found a promising base in Somalia and that, if anything, coastal Kenya had been a more fertile territory. It stated:

> "At one point, Al-Qaida operatives were so frustrated that they listed going after clan leaders as the second priority for jihad after expelling Western forces."

Another author concluded:

> "In Somalia, al-Qaeda members faced the same challenges that plague western interventions (extortion, betrayal, clan conflicts, xenophobia, a security vacuum and logistical constraints)."

So that is not to deny that we should be concerned and worried about the points that the hon. Gentleman made. All I am saying is that as it may be quite a mixed picture, we need to understand that, because if we do, we are more likely to be able to deal with the problem. As the hon. Member for Islington, North (Jeremy Corbyn) said, if we engage with the groups that do not have the virus, that are not contaminated, we are much more likely to be able to build up the civic society, the coalitions and the groups that can eventually take power and prevent the people whom we jointly are concerned about from having the effects on our security that we all fear.

This is always a case of trying to get a detailed understanding. My knowledge of Somalis in this country is that they have a very different approach to Islam from, say, Pakistanis, Iraqis or other Muslims whom I meet. Their main approach is the Sufi tradition, which is not exactly strict in its doctrinal beliefs, to say the least, and has a mystical orientation. It is very different from the sort of Islam that we see elsewhere. Again, it is important to understand those differences, so that we analyse the intelligence effectively for our policy.

Colleagues have talked about a number of issues within the horn and rightly made it clear how those all interlock. We cannot view one dispute in isolation; they all interlink, which is one reason why the situation has been so complex over the years. Inevitably, however, we do focus on individual disputes, and one major issue that has been talked about this morning is the border dispute between Ethiopia and Eritrea. Past decisions have not been implemented, there appears to be a stalemate, and the way forward is unclear. It seemed at times that the hon. Members for The Wrekin and for Islington, North were representing slightly different points of view on that, and that is exactly as it should be. There may well be different tensions about who is to blame. Is it the Eritrean Government looking at their own people domestically and allowing the dispute to perpetuate because it suits their domestic political agenda, or is it the Ethiopians? I do not know.

[Mr. Davey]

What I do know is that the external powers, although they often have not been as helpful as they should be in their interventions, may have a role to play in this matter. Obviously, President Clinton had a bad experience in respect of Somalia when he was President, but I understand that he had a role in the finalisation of the Algiers agreement. Perhaps there is an external, world-renowned leader—it may be an African leader—who, through the AU or the UN, could take more initiative on the dispute, because although there are tensions preventing it from being reconciled, many of the people whose comments I have read for the debate suggest that should we get a resolution of the border dispute, many other benefits would flow from that. It is not just the border dispute that would be solved, but many other issues.

Mark Pritchard: I am grateful to the hon. Gentleman for giving way again; he has been very generous. We have to distinguish between my comments on and view of the Eritrean Government and those on the Eritrean people, who are a wonderful, innovative, adaptive and creative people. However, do not the incursion into Djibouti, the ongoing dispute between the Eritrean Government and Djibouti—something that has been ruled on by the United Nations itself—and the intransigence and the reluctance on the part of the Eritrean Government to understand and abide by the will of the international community give some insight into how the Eritrean Government respond even when there is that dialogue and that instruction from the international community?

Mr. Davey: Absolutely. There is great force to that argument. I am not trying to take sides with the Eritreans or the Ethiopians; I am just pointing out the complexity of the matter. As always in such disputes, a blame game is going on. In those circumstances, often external figures—from the UN, the AU or individuals—can play a role. I hope that the Minister will give us some indication of Foreign Office thinking on whether that is something it will be pushing for.

Jeremy Corbyn: The hon. Gentleman will recognise that the border dispute between Eritrea and Ethiopia was referred to international arbitration and that both sides agreed in advance that they would abide by the decision. None of us was party to that decision, but a decision was made and a border was delineated. The tension would be reduced a great deal if both sides accepted that decision and moved on. Otherwise, the matter becomes a cause célèbre, the situation will become worse and the isolation, particularly of Eritrea, will become even greater.

Mr. Davey: I do not disagree with that. Clearly, although that arbitration has taken place and the ruling has been made, it is not being implemented. One therefore has to try to work out how we can get the two sides to try to implement it. I am not suggesting we move away from that decision, but there needs to be a protest because, at the moment, there is stalemate. Given it is the Minister's job, I want to hear from him whether the British Government are doing anything to try to break that stalemate or whether they are just sitting back and saying, "A judgment was made a few years ago. That should be abided by, but it is nothing to do with us." I hope we will hear something on that from the Minister today.

The hon. Member for The Wrekin rightly brought Sudan into the debate. Given this is an historic year for Sudan, he was right to do so. The peace treaty was signed five years ago, but it has not been fully implemented. There are elections later this year and one of the referendums is next January. The hon. Gentleman will know that there will be other referendums regarding the border disputes between the north and south of Sudan, and that consultations are going on. There is no doubt real danger that war and conflict could break out on a large scale. Clearly, conflicts are breaking out on the peripheries, particularly of south Sudan. If one talks to the southern Sudanese, they will blame the Government in Khartoum for festering that.

I was recently at a very interesting rally called Beat for Peace. I talked to a group of Sudanese people in a church and it was interesting to note that, although they were from the west, east, north, south and centre of Sudan, they were committed to work together as a diaspora for peace. They want the British Government and others in the international community to play an important role this year in trying to put pressure on the Sudanese Government—although they are difficult and I am sure that the Minister will remind us about that—to make sure that elections and referendums are conducted properly and openly. We need to ensure that there are international monitors and that support is given to those processes. I hope that those very difficult tensions can be resolved through a more democratic and peaceful way.

Given what is at stake and that the oil wealth over the border in southern Sudan is a huge bone of contention, these are clearly not easy matters. Also, given that Khartoum is still, I believe, not doing what the international community asked it to do in Darfur, it is often difficult to engage with the Sudanese Government. Clearly, those are tricky things and I do not make light of them. However, while I am touching on Darfur, will the Minister update colleagues on the state of helicopter provision for the United Nations-African Union Mission in Darfur? Over the past two years, I have asked the Foreign Secretary that question on several occasions and have not had a proper answer. The western powers, including Britain, put money aside to ensure that the helicopters needed to help implement international resolutions in Darfur are there, but as far as I know, relatively little progress has been made.

Mark Pritchard: I am not necessarily saying that I disagree with the hon. Gentleman's central point on the better provision of air lift transport from whatever quarter for Darfur, but will he tell hon. Members from where he would source those helicopters within the United Kingdom?

Mr. Davey: Not from the United Kingdom. What lies, quite rightly, behind the hon. Gentleman's intervention is the fact that we cannot afford not to provide helicopters for our troops who are engaged in conflict. When I met the UN Secretary-General, Ban Ki-moon to talk about the issue, I suggested that he put pressure on the British Government and others to use the funds that the Government had been putting into a pot to get helicopters from countries that had spare ones, such as Ukraine, the Russian Federation and others. It is clear from talking to people in the industry that those countries have spare helicopters that could be keyed up. As the hon. Gentleman knows, it is not just about providing

the helicopters; there are the pilots—you need more than one per team—the mechanics and the spare parts. This is therefore a complicated logistical exercise, but the British Government and others have nevertheless said that the money would be there, and that has never been denied. However, as far as I know—I would be delighted if the Minister proves me wrong—they have never used the money to underwrite deals with countries that have helicopters and which would not, of course, give us them for use in Afghanistan or elsewhere.

I want to finish with two points. First, in this debate about the conflicts in the horn of Africa, let us remember the ordinary people there and the humanitarian crisis that the vast majority of them face as a result of conflict. I hope that the Minister will tell us what work is being done through the Foreign and Commonwealth Office, the Department for International Development or international agencies to ensure that we protect civilians and meet the humanitarian challenge as far as possible. We are all realistic about the ability of Britain and the wider international community to end these conflicts any time soon, but that does not detract from our responsibility to help those who are caught up in them and who suffer as a result. I hope that the Minister will say something about that.

My final point is one that I should perhaps have mentioned earlier, although I am sure that colleagues will agree with what I have to say. Given the piracy that we have seen, particularly off the Somali coast, we should remember Paul and Rachel Chandler, who were taken hostage on 23 October. The Minister may want to give us the latest information that he has about them. He may have read reports that they gave an interview to an ITN reporter, in which they said that they would be killed if the money that had been demanded was not handed over by 24 January. Obviously, we hope and pray that that has not happened, and we would all be grateful if the Minister can give colleagues an update on the situation.

The example of Mr. and Mrs. Chandler shows, perhaps in a slightly extreme way, that instability in other parts of the world has knock-on effects for British citizens. That is why this debate is important and why the hon. Member for The Wrekin has done the House a service by bringing it to the Chamber.

11.58 am

Mr. Keith Simpson (Mid-Norfolk) (Con): It is a pleasure to serve under your benevolent eye, Mr. Gale. I congratulate my hon. Friend the Member for The Wrekin (Mark Pritchard) on raising this important issue. As colleagues have said, this debate in Westminster Hall gives us the opportunity to have a slightly more reflective debate than we often have on the Floor of the House.

[MR. MARTIN CATON *in the Chair*]

The debate is about regional security in the horn of Africa. Like other colleagues, I sometimes hear contradictory views when I talk to people who have worked and lived in the region, be they local people, expats or experts of one kind or another, including those from the aid organisations and the United Nations and officials from the Foreign Office and the Ministry of Defence. One view is that we should look at this as a regional issue, and colleagues have flagged up the fact that many of the countries in the region are interconnected. One example is the trade and the flow of people between Somalia and Yemen; if we could only stop some of the flow of arms from Yemen into Somalia, we could make considerable progress. There is also the conflict between Ethiopia and Eritrea. There is therefore a whole raft of issues that show how the region is interconnected.

At the same time, however, the experts rightly tell us that each area is unique. As the hon. Member for Islington, North (Jeremy Corbyn) said, there are unique elements in their histories and cultures and there are differences in their populations. I suspect, however, that many countries and outside organisations have approached the problem with the idea that one size fits all and that there is one single threat. Here, I probably slightly disagree, on balance, with my hon. Friend the Member for The Wrekin about the threat from al-Qaeda. There is a threat, but it is much more complex than we sometimes think, so our response should be much more complex too.

Secondly, we should also be aware that we, the outsiders, have often made the situation worse by blundering in, sometimes with the best of motives. The current condition of Somalia, in particular, is undoubtedly due to the activities of many countries, ranging from the United States to European Union countries, including ourselves. It is also due, as hon. Members have pointed out, to the introduction of an Ethiopian force into the conflict. However, we should also be aware that the countries in question have played host to some political organisations that have developed into terrorist activity. Al-Qaeda and other organisations are only too well aware of that.

The issue is crucial; we could have an academic debate, and in another environment and another age I used to enjoy such debates, because one could argue things to a conclusion and go away and have a decent lunch. However, in the business that we are all interested in, which is the rough trade of politics, one must argue things to a decision. As the late Marshal Foch would have asked, what is actually to be done? In particular, what can the United Kingdom do?

The first thing to recognise is that we are talking about a desperate area. Other hon. Members have spoken of the level of sheer political instability—Somalia is effectively a failed state, and although Yemen is not, the experts say it is under enormous strain—the poverty and the number of refugees. The scale of that is vast. Also, for many of the people living in poverty in the area, what we regard as quasi-terrorist activities—piracy and the slave trade, which still goes on—are things that they and their ancestors have been involved in for hundreds of years. Undoubtedly there are people involved in piracy who have a terrorist bent, but we must ask whether, if Somalia had a reasonable Government and there were reasonable prospects for employment, particularly in fishing, there would be piracy on such a scale.

The United Kingdom Government, to be fair to them, recognise that all the aspects of a response must be integrated; the response should not be purely military or purely a matter of aid.

Jeremy Corbyn: In no way do I condone piracy in any form, but does the hon. Gentleman acknowledge that piracy started with the inability of the international community to monitor fishing in the area, and that the loss of fishing opportunities, particularly in the Puntland, meant that people turned to a horrible criminal process?

Mr. Simpson: Yes. I would not disagree at all with the hon. Gentleman. Also, the historian in me tells me that an element of tradition is involved. I recall visiting one of the Gulf states, although I shall not say which one, and being invited into a business family that had traditions of trade with the old East India Company—they showed us documents about that—and trading down to the coasts of east Africa. It was a cross-party delegation and a colleague asked the head of the family, "How did your business start?" He answered, "Very simple. We were slavers. We made all our original money from our slave trade activities down the coast of Somalia and elsewhere." However, the hon. Gentleman makes a fair point and I would not resile from it.

Why is this important for the United Kingdom, and what should we do about it? It is important, first, because the region is important to UK national interests. It is an area of strategic importance, and our history and our current strategic concerns mean that we should put, and are putting, a considerable amount of effort into it. Whether we are putting the right effort into it is necessarily a matter for debate. It is also a crucial concern to us at a humanitarian level. The sheer scale of the problem means that public opinion rightly demands that we and our friends should do something.

The area is also of considerable importance to us economically. The potential of these countries to become involved in world trade is enormous. The seas around the area are crucial, given the sheer tonnage of trade that goes through there. Piracy has an impact not only on commercial companies but, as the hon. Member for Kingston and Surbiton (Mr. Davey) said, on individuals. Indeed, while we are debating the subject, two people face the threat of being killed. Others, not necessarily UK citizens, are still being held.

Mark Pritchard: Does my hon. Friend share my concern that, even in the last seven days, Al-Qaeda in the Arabian Peninsula have said that they will fight so-called infidels on land, in the air and on the sea? Given the history of the area, particularly the USS Cole incident in Yemen, does my hon. Friend share my concern not only about commercial shipping but about the leisure shipping that comes through that part of the region, particularly as cruise itineraries and destinations are published well in advance on the internet, giving plenty of time for preparation? Governments have given little consideration to the risk to cruise shipping, not from pirates who have small boats and would find it hard to board a cruise ship, but from terrorists.

Mr. Simpson: My hon. Friend makes a good point. Cruise ships have been attacked before by pirates and by terrorists. The United Kingdom Government, like all Governments, advise cruise companies about the problem and give advice on security. I suspect that some of the measures that they undertake are not publicised, as many organisations use the internet as we do.

I thought that my hon. Friend was going to mention the fact that we have to give hard-nosed advice to people who merely—may use this expression?—wish to cruise their yachts around that area. There is a significant chance of being captured in that area. Frankly, people should weigh that up. Governments can give their citizens only a certain amount of advice without physically banning them.

I return to my theme, which is what our Government can do and why they should do it. The reason for doing it is, as the hon. Member for Islington, North said, that large minority groups living in the United Kingdom were originally nationals in those countries. Many of them fled here for the opportunity to find security, work and so on, but there is a problem. It involves only a few of them, but some have been radicalised and have returned to Somalia or Yemen either to support violence out there or to take part in international terrorism.

The difficulty for the Government is to get the balance right, providing counter-terrorist support for Governments in the horn of Africa without that support inflaming matters. Now is not the time to debate the problems of Yemen, but the problem for Governments is not only that they are fighting al-Qaeda but that they are fighting two separate conflicts, in the north and the south, in which al-Qaeda is only on the margins.

I have to say gently to the Minister that many believe that the original hype for what was going to be an international conference on Yemen burst like a bubble because, after asking questions, we discovered that it is a two-hour meeting in the margins of a bigger conference on Afghanistan. I do not wish to make a party political point, but I think that many Labour Members were a little surprised about that. It looks more like a public relations exercise. I understand that the Government, the United States Government and other Governments are looking at this as a long-term problem. I commend a Government publication by DFID about a year ago, in which they talked about the need for an integrated approach to the problem of Yemen, involving all Departments, not just those dealing with counter-terrorism.

Mark Pritchard: My hon. Friend is giving way generously. He mentioned Yemen, which is linked to the horn of Africa. On 30 November in the main Chamber I asked the Prime Minister directly, during his statement on Afghanistan-Pakistan, whether he would include the Government of Yemen in the Afghanistan London conference. He was equivocal and did not give an explicit view one way or the other, which I found disappointing. We then had the incident with Abdulmutallab and—surprise, surprise—a phone call was made by the British Prime Minister on 1 January to the Government of Yemen inviting them to London, which came as a great surprise. That is not a criticism of the British Government, but I am concerned about whether the Government have a strategic grasp of the issues involving national security, including in that part of the world.

Mr. Simpson: I think they do now because of the nature of the insecurity in that region and the nature of the threats that we face now. Any Government will come under enormous pressure if, sadly, future terrorist activity against British citizens abroad or in the UK is carried out not by some caricature terrorist looking like a down-market Lawrence of Arabia but by somebody who is, as has sadly been proved on numerous occasions, a second or third generation immigrant from a family living here who has demonstrably had a good education and looks to all intents and purposes like a young man—it is mainly young men—who is fully integrated into society, yet rejects a lot of what the current UK society stands for. There are no easy tricks to deal with that.

The Minister will get the support of the House if he approaches the issue of the horn of Africa comprehensively and recognises that, even if resources are stretched, one of the most important areas is intelligence and intelligence gathering. I realise that the intelligence community is under enormous strain at the moment.

I congratulate my hon. Friend, who I know feels passionately about this subject, on securing and introducing this debate, which has led to contributions being provided from colleagues on an important matter.

12.13 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I congratulate the hon. Member for The Wrekin (Mark Pritchard) on securing this important debate, on his well-informed, passionate contribution and, more generally, on his thoughtful, important contribution across the foreign affairs canvas in the House. Not many new Members of Parliament specialise in foreign affairs and have that level of expertise and knowledge. The quality of debate is strengthened when the hon. Gentleman makes his contributions, which are usually based on a well-informed analysis, even if we will not necessarily agree on all the issues.

May I answer the first question posed by the hon. Gentleman, which was does the Horn of Africa matter? It matters significantly, in respect of stability in the international community, and in terms of direct United Kingdom national interest and the future of Africa as a continent. In every sense the horn of Africa matters. As the hon. Member for Mid-Norfolk (Mr. Simpson) said, we have to be realistic about the complex nature of the challenges that we face. There is not one solution. There has to be a security and stability element to our response, a significant political response in terms of improved government and human rights and a well thought out, smart level of significant development support to tackle the problems of inequality and poverty. All of that has to be brought together in an integrated approach.

I want to talk a little about the background of the situation, give an update of the security situation, summarise our understanding of the extent and causes of the problem and then talk directly about the UK's response.

I will deal quickly with the Yemen question. It is important that we judge this week's meeting on Yemen by the decisions that are made, the quality of the participants and the follow-up to and implementation and delivery of whatever is agreed, not on the number of hours the meeting lasts. Too often at such international summits fine words are signed up to at the end of the process, but the test will be whether we are willing to ensure that there is a clear plan for delivery, implementation and milestones, and also roles and responsibilities for the different players that need to make their contributions.

The important thing to stress is that the Government of Yemen must be in the lead. It is not a failed state, but it is a fragile and vulnerable state, so the support the international community gives on security, effective government and development will be incredibly important. Let us judge the outcome of the meeting by the decisions that are made, the delivery and the implementation.

There is no doubt that the horn of Africa stands out because of the sheer prevalence and persistence of conflict at every level: within states, between proxies and, not that long ago, between armies. It poses severe threats to regional and international security. The drivers of conflict in the horn are longstanding and in many cases predate current country boundaries, a point we should be clear about. The end of the cold war brought seismic shifts in the region. Long-entrenched dictatorial regimes collapsed in Ethiopia and Somalia, and Eritrea and Somaliland declared themselves independent.

A region that had long been viewed as one of chronic conflict and poverty, and that had been the playground of cold war foreign policy, did at one stage offer new hope of popular, progressive and accountable government, but unfortunately that has not happened.

The situation, frankly, has deteriorated. The credentials of Ethiopia and Eritrea were tarnished when they went to war over the disputed borders, and in 1998 there were 100,000 fatalities. Their unresolved dispute continues to be an underlying cause of problems across the region, as hon. Members have mentioned. Somalia has never managed to establish state structures and effective government, with fragmentation, warlords, political Islam, as the hon. Member for The Wrekin made clear, and extremist networks gaining ground. Meanwhile, we all acknowledge the significant challenges that remain to the implementation of the comprehensive peace agreement in Sudan.

So what security threat do we believe the region poses? The analysis is clear. Al-Qaeda's allies and affiliates look to exploit ungoverned space and instability where they can, as the hon. Gentleman said, whether in the Sahel, Somalia, Yemen, Pakistan, Iraq or Afghanistan. Unfortunately, the long-term instability in Somalia has resulted in an environment where both local violent extremists, and a small number of international extremist groups, have managed to gain traction and control over areas of territory. That control overlays a complex clan mix and a long history of insecurity. Terrorists and al-Qaeda, as has been said, are not interested in reality or the daily lives of the people of Somalia and offer nothing to improve their lives.

They are a threat to the well-being of Somalia and the wider region, and that has been evidenced by two recent bombings in Mogadishu: one was on 3 December, in which three Ministers and many civilians, including journalists and medical graduates, were killed; and only yesterday five people were killed in an al-Shabaab bombing in a civilian hospital in Mogadishu. I am sure that hon. Members will want to offer our deepest condolences to the Government and people of Somalia in the aftermath of those tragic attacks.

We are aware that al-Qaeda is present in Somalia, and it is vital to confront the challenge posed by its hateful ideology. Al-Shabaab is seen as the ally of al-Qaeda, but it also has its own agenda, which is focused on attacking the transitional federal Government and neighbouring countries. The UK and the TFG have had discussions on counter-terrorism, and we will work with both the TFG and other regional Governments to deny those groups safe haven.

As hon. Members have said, Somalia has also become known as the breeding ground for piracy in the gulf of Aden and Indian ocean. Piracy is a criminal enterprise, which results in great distress for the innocent crews and their families who are caught up in the hijacking, and the escalating ransom demands place an increasing

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burden on industry. Our thoughts go to Rachel and Paul Chandler, who continue to be held in Somalia. We call on the hostage takers to release them immediately.

As hon. Members said, we remain concerned about the situation on the border between Ethiopia and Eritrea.

Mark Pritchard: Before the Minister moves on from piracy, will he agree that although we welcome the co-operation of the Government of Kenya in dealing with the legal issues over the pirates who are taken into custody, it would be particularly helpful if the Governments of Tanzania and the Seychelles would also participate in trying to bring forward a legal process?

Mr. Lewis: I agree with the hon. Gentleman. All those countries with the capacity to make a difference should come together and do the right thing. It is important to place it on record that such countries have responsibilities in that respect and should take the necessary action.

To my hon. Friend the Member for Islington, North who raised the issue of the border dispute between Ethiopia and Eritrea, I have to say that there was arbitration. The Eritrea-Ethiopia boundary commission made a very clear decision on the border. Despite our friendship with Ethiopia and our tremendous admiration for the progress it has made, we continue to press it to implement the decision following arbitration. The matter will continue to be a running sore and a cause of much instability until it has done so. I say to the hon. Member for Kingston and Surbiton (Mr. Davey) who asked the question that we continue to make the case for that recommendation to be implemented, because it is a root cause of the significant instability.

Returning to the situation in Sudan, hon. Members have said that the situation remains fragile and difficult. However, I must stress that the comprehensive peace agreement between north and south remains on track despite all of the difficulties. There is now one year until the referendum on self-determination in southern Sudan. Irrespective of the referendum outcome, work needs to be done on many issues, including oil revenue sharing, security arrangements and border demarcation. Levels of organised violence and fighting between Sudan armed forces and armed movements in Darfur have declined significantly compared with 2003 to 2005, but lawlessness and insecurity remain high. The causes and consequences have yet to be addressed.

The hon. Gentleman asked about helicopters, and I will be very specific about the position. Since its inception, we have contributed more than £100 million towards the United Nations African Union Mission in Darfur. We have lobbied extensively in the UN and with countries in the region on the provision of helicopters. As an update, I can say to the hon. Gentleman that Ethiopia is to provide five helicopters for UNAMID, which is a step forward, but we need further information on how they are to be deployed. None the less, we should welcome that as a significant step forward.

Mr. Davey: I am grateful to the Minister for that, but five Ethiopian helicopters is not a new development. They have been promised by the Ethiopians for more than a year. When I pushed the matter with the Foreign Secretary and raised it with the UN Secretary-General, that was not the solution, because the Ethiopian helicopters are not the ones that we need for the heavy lift. The only ones that have those capabilities and that are not in conflict zones are the Ukrainians, Russians and Czechs. It is a question of underwriting those deals so that the helicopters can go into this mission. I do not think that enough is being done.

Mr. Lewis: I will write to the hon. Gentleman if I have any further information to give him. The point about the deployment is that it will take place in February. If the hon. Gentleman does not feel that that is enough, I can find out if any other plans, commitments or discussions are taking place at the moment.

Turning back to some of the challenges, we all acknowledge that migration continues to be a problem both within the region and to Europe, with large numbers of internally displaced persons and refugees in the region itself. For example, the Dadaab refugee camp in Kenya is temporary home to almost 300,000 Somali refugees, some of whom have been there since 1991. There are also high volumes of migration flows to the UK and wider Europe. In the first three quarters of last year, there were more than 2,000 applications for asylum from the region.

As my hon. Friend the Member for Islington, North said, it is important to mention that the vast majority of people who come to this country play a very positive role and make a positive contribution to their local communities. There is sometimes a danger that people from certain countries in the horn are demonised in the way we present them. We should always make the point that it is a small minority who are a difficulty and a problem. We have to be clear about the threat that they pose. The vast majority of people who have settled in this country from the horn of Africa make a positive contribution to their communities and the United Kingdom.

Jeremy Corbyn: I thank the Minister for that. His remarks are very helpful because the Somali community makes a huge contribution to ordinary life in London and other cities. We should pay tribute to them for that. On Somalia, does he envisage there will be any encouragement of the transitional Government to broaden their sphere of influence and their contact with other groups, so that they do not remain in the rather isolationist position they currently have?

Mr. Lewis: I think we are all aware—whether in relation to Somalia or Afghanistan—of the importance of reintegration and reconciliation with those with whom that objective can be achieved. In a situation where there is a history of conflict, bloodshed and mistrust, the more inclusive Governments can be, frankly, the better. I think my hon. Friend would agree that a line has to be drawn and that it is not appropriate to include some people in the political process, because they have an entirely different agenda or ideology. If such people were to become part of the political process, they would simply attempt to undermine it. However, there are other people who need to be brought in if there is to be long-term security and stability. A sophisticated and smart approach is required to do that and it must be led by people who understand what reconciliation and reintegration mean in the context of, in this case, Somalia.

There is no doubt that people benefit from long-term security and stability if they have a Government who is as representative as possible.

I say to my hon. Friend that there is also the question of effective Government. In countries that are incredibly fragile and where there is a significant amount of stability, sometimes the first thing we must do is find a Government who have the capacity to begin a programme of reform in terms of governing that country effectively. Our relationship with the Government of Somalia is an important and positive one, but, of course, we hope that they will become more representative and inclusive over time.

I am running out of time, so I will quickly move on to Somalia. The African Union Mission to Somalia, which the hon. Member for The Wrekin mentioned, is supported by a UN logistics package and trust fund, as well as through bilateral support. We contributed £15.7 million last year to the support of AMISOM. Yesterday, the EU Foreign Affairs Council agreed to the next stage in the plan to launch an operation to train transitional federal government security forces in Uganda. That is a true example of the multiplier effect of international co-operation. The hon. Gentleman was also right to mention the positive contributions that Uganda and Burundi are making. The UN Political Office for Somalia works hard with other UN bodies and the international community based in Nairobi to ensure a co-ordinated approach to the situation. In her recent visit to Nairobi, Baroness Kinnock announced that we hope to welcome President Sharif to London soon, so we will be able to discuss directly with him the issues of security situation, governance and counter-terrorism.

We support the sanctions regime against Eritrea because we believe that country has consistently flouted international law, which is why we supported UN Security Council resolution 1907. However, that is not an alternative to engagement. Of course, we want to engage with Eritrea, as well as to insist that it does not behave in a way that undermines stability in the horn. It is very important to get that balance right. The same point was made by my hon. Friend the Member for Islington, North in relation to Iran. We seek constantly to engage with Iran in a positive way, but the problem is that Iran shows no sign of engaging with the United Kingdom or the international community.

In conclusion, I believe this is a very—

Mr. Martin Caton (in the Chair): Order. We must move on to the next debate.

Air Passenger Duty (Caribbean)

12.30 pm

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath) (Lab): I welcome the opportunity to have this short debate on a subject of great concern to members of the Afro-Caribbean community in my constituency.

Let me make it clear at the start that I am not challenging the concept of the air passenger duty, which is charged on all passenger flights from UK airports. In 2008, the Government consulted on proposals to replace air passenger duty with a per-plane tax and subsequently chose not to go down that road. I have no complaint about that or about the Treasury's decision to retain air passenger duty and add a greater number of distance bands. The reason why I am raising this issue is that the changes in the banding system impact unfairly on the Afro-Caribbean community, whose members began coming to the United Kingdom more than 50 years ago, but who retain strong links with their extended families in the Caribbean and regularly travel backward and forward to maintain those links.

I acknowledge that aviation could account for 21 per cent. of total UK greenhouse gas emissions by 2050 and I totally support the Government's desire to address the problem as part of their commendable action to combat the effects of climate change. I am sure that the Minister will elaborate on that when she responds, but I repeat that I am not challenging the concept of air passenger duty or the way in which the Government chose to increase the number of distance-based bands. However, I cannot accept that it is fair or equitable for someone visiting family in one of the poor countries of the Caribbean to pay a higher rate of air passenger duty than someone visiting America, the richest country in the world, purely and simply because the capital of America, Washington, is on the east coast rather than the west coast of the USA.

The criterion on which the four new geographical bands are based is the distance from London to the capital city of the country to which somebody is travelling. That might appear sensible, but it depends solely on where the capital city is, even in a large country such as America. Washington is on the east coast of the USA, so the whole country falls into a lower band than the Caribbean countries. No account is taken of the fact that many states in the USA, such as California on the west coast, have larger GDPs than many Caribbean countries and are considerably richer. Furthermore, the criterion relating to the distance between London and the capital city of the destination country is not uniform throughout the world, and the Russian Federation is treated as two separate entities, one to the east and one to the west of the Urals.

Many Caribbean countries are extremely concerned about the impact that the inclusion of the whole Caribbean in band C could have on their tourist industries. Those industries are crucial to their economies, particularly when a competing destination—Honolulu in Hawaii—is in a lower band because Hawaii is part of the USA.

I am particularly concerned, however, about the effect that the new banding will have on the Afro-Caribbean community in my constituency and in the rest of the United Kingdom. The Afro-Caribbean community has

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been an integral part of the life of the United Kingdom since the first large-scale arrivals on these shores on the Windrush in 1948. Not long ago, we saw the 60th anniversary of the arrival of the Windrush, and the Government rightly recognised it and the continued contribution of the Afro-Caribbean community to the development of the United Kingdom.

Many of the first arrivals from the Caribbean started by working in poorly paid jobs in the public sector, and the Minister of Health in the Conservative Government of the 1950s actively encouraged young women from the Caribbean to come to the United Kingdom to take up nursing positions in the NHS. That they did, and it would be true to say that they have been crucial to the workings of the NHS ever since. The fact that the Minister of Health in question was a certain Mr. Enoch Powell, who subsequently became notorious for his "rivers of blood" speech in Birmingham in 1968, is one of the interesting contradictions of British history.

I make these points to emphasise the fact that the Afro-Caribbean community has played a huge part in the development of our society, and it continues to make a massive contribution. The Afro-Caribbean community, particularly the older generations, have a reputation for being law-abiding, religious and family-oriented. They travel regularly to and from the Caribbean in order to maintain contact with their extended families. Because the Caribbean is classified as band C, a family of four in my constituency who wish to travel to the Caribbean will pay £300 in air passenger duty for a return flight from November 2010. That is a lot of money for families living in my constituency, which has some of the largest pockets of deprivation in the country.

Even more bizarre, and it rightly angers the Afro-Caribbean community, is that other British families—such as David Beckham, his wife Posh and their three children, who are domiciled in California—can travel there from 1 November 2010 and pay the same £300 in air passenger duty as my constituent, his wife and their two children.

I accept entirely that the Government understand the problem. During a debate on the Finance Bill in 2009 the then Parliamentary Secretary to the Treasury, now the Minister for Pensions and the Ageing Society, my hon. Friend the hon. Member for Wallasey (Angela Eagle), acknowledged that there were anomalies in the new four-band system. She said:

"We have gone for the rough-and-ready approach. I understand the points that are being made about some of the anomalies with capital cities, particularly Washington in relation to destinations in other US states and in Caribbean countries. However, I suppose that a rough-and-ready calculation is precisely that, and one can always find anomalies."—[*Official Report, Finance Public Bill Committee*, 2 June 2009; c. 165.]

The current Exchequer Secretary indicated during the Report stage of the Finance Bill on 8 July 2009 that the Government were looking again at how the new bands were impacting on Caribbean countries. We are now six months further on, and still the rough-and-ready approach has not been refined to rectify the unfairness on those in the Afro-Caribbean community in this country who wish to maintain their traditional family links with the Caribbean by travelling there regularly.

The Exchequer Secretary has been corresponding with me on this matter for nearly a year. She points out that resolving that unfairness against the Afro-Caribbean community is not as easy as it would seem. Bearing in mind that her predecessor made it quite clear that the banding system was a rough-and-ready approach, I suggest that all Commonwealth countries should be put in a separate band. We are continually told, rightly, that the Commonwealth is a special institution that is based on ties between all the countries, with the Queen as its head and the United Kingdom as the mother country. Such a suggestion may be rough and ready, but it is no more so than the current banding system. It has at least as much logicality, because up until the late 1960s every Commonwealth citizen had an automatic right to come to the United Kingdom and settle in the mother country, without any immigration controls being placed upon them. I therefore hope that the Minister will specifically indicate to our Afro-Caribbean community whether the Treasury intend rectifying the financial anomalies that have arisen through the rough-and-ready approach, and when they intend to do so.

The matter will not fade away, and anger in the community will become even greater if nothing is done and the increase in rates takes place on 1 November 2010. That is the sole reason why I asked for this debate. I appreciate that the Minister may want to talk about the principles behind air passenger duty and the banding system, but she does not need to do so. Instead, she needs to concentrate her mind, if she will forgive my saying so, solely on the question that I pose again and again: does she believe, as a fair-minded person—not as a Treasury spokesperson—that it is fair or equitable that a celebrity family, such as David Beckham, Posh and their three children, can travel to and from their adopted home in Hollywood and pay £300 in air passenger duty in November 2010, while a husband and wife in my constituency, working in low-paid jobs in the NHS, who take their two children to see their grandparents in the Caribbean have to pay exactly the same amount?

12.41 pm

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): I congratulate my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) on securing this debate. This issue has been raised with both me and the Chancellor by my hon. Friend and many hon. Members.

Before I get into the detail, I should like to say that I agree with my hon. Friend about our relationship with the Caribbean, and with his excellent points about the contribution to this country of the Caribbean community and the many other people who have come to these shores.

My hon. Friend has already mentioned some of what I am about to say, but I would like to start by talking about the background in order to explain how we came to this point. I will come to the Caribbean specifics later, but it is important to put those in context.

Air passenger duty was introduced in 1994 to broaden the tax base. There was a two-band structure, charging a different rate for flights to European and non-European destinations. Since its introduction 16 years ago, rates have changed only four times, including a reduction in economy travel rates in 2001. Rates were frozen between 2001 and 2007 and again for 2008-09.

In 2008, the Government consulted on proposals to replace APD with a per plane tax, considered carefully its evidence and merits and decided against introducing it at that point. That is why we announced in the 2008 pre-Budget report that we would reform the existing APD regime from its two-destination band structure to a four-band structure. Several factors were behind that decision. We felt that we needed to ensure greater stability in tax policy at a time of great economic uncertainty and global challenges—the world was moving on. In addition, a unanimous agreement was reached by EU member states in October 2008 to include aviation in the EU emissions trading scheme. There was a need to maintain commitment to environmental objectives, especially to ensure that the structure of aviation tax sent environmental signals to passengers and the industry alike.

In the economic circumstances, we needed to mitigate the potential impact on the airfreight sector, and the impact on employment in this sector and on the wider business community that relies on airfreight services. We also needed to mitigate the potential impact in the regions on direct employment and connectivity. The need to avoid the disruption and costs associated with the transition to another tax had to be considered, as did the relative simplicity of reforming the existing APD regime better to reflect environmental impacts. Many respondents suggested that any banding system should have more than three distance bands and that tax should be levied on final destination. We implemented the reforms on 1 November 2009.

Compared with the previous system, the reform of APD raises revenue and strengthens the tax's environmental signal. Although the externalities arising from air travel are hard to calculate precisely, APD was not designed to be an exact match for this cost, but as a revenue-raising instrument. However, where possible and appropriate, it is right for the structure of revenue-raising taxes to reflect environmental benefits, as in the case of the reformed APD, which it is estimated will save an additional 6[illegible] million tonnes of carbon dioxide in 2011-12, contributing to reducing the risk of dangerous climate change.

The introduction of four bands into the reformed APD reflects the responses to the consultation on a per plane tax, which highlighted that aviation taxation should recognise distance flown as a factor. To strengthen the environmental signal in APD, destinations have been banded in a straightforward, transparent, and administratively simple way. The bands have been set at 2,000-mile interval, and what band a country falls within is determined by how far its capital is from London.

A geographical banding structure balances the aim of sending a stronger environmental signal with the need to make the reforms easy to implement. Ticketing systems are based on national territories, so it is easiest to base the tax on countries. Any banding system will contain some discrepancies, and although reform might remove some, it will create a set of others. Using capitals as a proxy for countries was, in our judgment, the most straightforward approach globally.

I recognise that my hon. Friend and the many hon. Members who have written to me feel that the reform of APD will affect travellers to the Caribbean. The tax on an economy class ticket to the Caribbean will rise by £35 per person after the two tax increases of 1 November last year and 1 November this year. That is not likely to be the only factor affecting ticket price, or the sole determining factor in the decision whether to purchase a ticket. The same £35 increase will apply to any other country whose capital is in the same band: that is, between 4,001 and 6,000 miles from London.

One point raised by my hon. Friend and in letters to me is that tickets to the western US attract a lower rate of APD than tickets to the Caribbean. However, APD rates to the US cannot be split into the eastern and western halves of the country without adding significant administrative complexity. Even if they could, of course, that would not affect the absolute rate of APD on tickets to the Caribbean.

My hon. Friend mentioned Russia. As I said, airline ticketing systems are based on national territories. In the case of Russia only, ticketing distinguishes between the eastern and western halves of the country. We have been able to design the tax to incorporate that distinction because it is administratively easy for the airlines to do so, but that is not the case in the USA. As I said, any banding system will contain some anomalies.

However, the Chancellor and I have committed to continue considering the issue to work out whether there is a way to mitigate the impact of APD reform on ticket prices to the Caribbean within the constraints of European and international law, as well as considering the effect on the public finances. Given the fiscal situation, the Government cannot accept options, such as just decreasing APD rates, that would reduce the APD revenue expected. We also cannot move the Caribbean countries alone to another tax band without objective justification. The Chicago convention on international aviation requires us to treat other countries equally.

My hon. Friend also raised the possibility of putting Commonwealth countries into a separate band. Unfortunately, such a move would be illegal under European Community law, as well as discriminatory and thus contrary to the Chicago convention. The Government have considered basing the tax or tax band on the exact distance of flights, rather than the distance to the capital. However, that would be illegal under the Chicago convention, to which the UK is a signatory. Some have suggested that moving to a per plane tax would help, but there is no reason to assume that moving to such a tax would result in less tax on flights to the Caribbean. In fact, implementing a per plane tax, as consulted on in 2008, would have resulted in more tax being paid on flights to the Caribbean than the reformed APD.

The UK and other like-minded states believe that the current practice of exempting aviation from taxation on fuel used for international services is anomalous and has succeeded in increasing the International Civil Aviation Organisation's focus on the environment. However, it has not yet been possible to reach consensus within ICAO regarding specific economic instruments.

Mr. Godsiff: I have listened with interest to what the Minister has said. I understand that administrative simplicity, over-ticketing and the Chicago convention are important. Does she think it fair that a family of two adults from the Afro-Caribbean community, working in poorly paid jobs in this country, who take their two children to the Caribbean, should after 1 November pay

[Mr. Godsiff]

£300 in air passenger duty, whereas a celebrity family travelling with their three children to Hollywood would pay exactly the same?

Sarah McCarthy-Fry: The point I am trying to make is that unless we attach a specific tax to a destination any banding system will create anomalies, so that some people pay the same in one band as people in another. We are not, under international law or the Chicago convention, able to be exact about distance so as to bring about the fairness my hon. Friend wants. We are trying to devise a system as close as possible, within the constraints of international law, to an environmental system.

The reason why we cannot use the exact flight distance is that that is too close to using fuel as a proxy. That is the point I am trying to make with the International Civil Aviation Organisation, so that we can begin to address the matter. We are committed to engaging actively with our European partners to press for greater action on aviation's environmental impacts.

Air passenger duty is an important contributor to Government revenue, and we must remember that flying is a relatively under-taxed activity. No fuel duty is paid, and there is no VAT on tickets. The reform of APD is intended to ensure that flying contributes its fair share to public services, as well as to strengthen the environmental signal of the tax.

I assure my hon. Friend that we shall continue to consider the issue to work out whether there is a way to mitigate the impact of APD reform on ticket prices to the Caribbean within the constraints of European and international law.

Mr. Godsiff: As I said, I have been corresponding on the matter for quite a long time. The Minister gave assurances during consideration on Report of the Finance Bill that the Government were considering it. I am grateful, but when will the decision be taken? It is more than six months since the Minister said that the Treasury was considering it. For example, is it likely to happen before 6 May—to pick a date out of the air—or perhaps some time after that?

Sarah McCarthy-Fry: I can say only that as yet we have not found a way of mitigating the situation within the constraints of European and international law. I cannot give a time scale, because we are still looking. It is not as if we had found a solution and were deciding whether to implement it. We have not yet found a solution within the constraints of the law. The area is not straightforward; it is a very complex area of European and international law. All that I can say is that we shall continue to look for a solution.

12.53 pm

Sitting suspended.

Foreign and Commonwealth Office

1 pm

Mr. Adam Holloway (Gravesham) (Con): I am grateful for the opportunity to have this debate on the finances and capabilities of the Foreign and Commonwealth Office. As we know, last week the financial health of the Foreign Office was put in the spotlight by the Minister of State, Baroness Kinnock, when she revealed cuts to FCO operations, including the counter-terrorism programme in Pakistan—facts that many of her colleagues in recent days have been trying to airbrush out. However, over the past three years my colleagues in the shadow foreign affairs team, particularly Chloe Dalton, have been assiduous in uncovering the extent of the black hole in the FCO's finances. We welcome this debate, which will help to give the issue the wider attention that it merits.

The Foreign Office has obviously been under financial constraints for several years. As a result, from May 2007 onwards the FCO has closed 34 high commissions, embassies and consulates, including in Honduras and El Salvador and on the island of Madagascar. We have opened new offices in places such as Banja Luka, Basra and Kirkuk—but offices ain't the same as embassies. The FCO also withdrew funding from the UK defence attaché network, not understanding the huge value added there. It ended its contribution to scholarships for some Commonwealth students, which will be a huge long-term downer for the UK. It shut the FCO language school, cut the number of civil servants from 6,000 to 5,600 and downgraded 115 positions in embassies that used to be performed by UK diplomats, passing them instead to no doubt able locally employed nationals of the host state. It also began making the argument for virtual embassies and laptop diplomats in parts of the world where this country felt it could no longer afford permanent missions.

Therefore, even in November 2006 the UK's former ambassador to the United Nations, Sir Jeremy Greenstock, warned the Select Committee on Foreign Affairs of

"a progressive decline in the capacity of the Foreign Office to cover every aspect of diplomacy."

One head of mission reports cutting 40 people from the payroll. The Committee concluded in its report in 2008 that the pressure on the FCO budget risked

"jeopardising the FCO's important work"—

a warning that has been raised on many occasions by Members of both Houses. That trend alone, amounting to a creeping erosion of the FCO's clout overseas, was a matter of serious concern.

But then, in the autumn of 2007, the Treasury decided, in negotiations with the Foreign Office over the 2007 spending round, to withdraw what was known as the overseas price mechanism. Let us be clear: the OPM was a system that ensured that the Foreign Office, which has to spend more than half its budget overseas, was neither worse off nor better off as a result of overseas inflation and movements in currency exchange rates. That is a pretty sensible thing, one would think. Crucially, the OPM ensured that the Foreign Office, which, unlike any other Department, including the Department for International Development and the Ministry of Defence, operates in more than 120 currencies worldwide, could—I quote from the FCO's resource accounts from 2007-08—

"maintain its purchasing power at a level equivalent to that of Home Departments".

which do not have to spend the bulk of their budgets overseas. When sterling rose and the FCO could buy more foreign currency with the pound, the excess was returned to the Treasury. Conversely, if sterling dipped, the Treasury compensated the FCO. In the last three years before the OPM was withdrawn, albeit in different economic circumstances, the FCO returned more than £20 million to the Treasury's coffers.

In short, the mechanism allowed the FCO to plan its activity overseas with confidence over a number of years. A glance at the FCO's responsibilities, which include countering terrorism and weapons proliferation, shows why such continuity matters. Also, 69 million British citizens travel overseas each year and, according to FCO figures, 12 million British citizens were living overseas in 2007. For British tourists and expats alike, the embassy can be the first port of call when they get into difficulty. It is estimated that 100,000 people will go to the World cup in South Africa this year, and obviously our mission or missions will have to deal with any problems that arise. It is therefore very surprising that Foreign Office Ministers did not stand up to Treasury officials when they sought to strip away this important protection, and that the implications of the change were either brushed aside or, even worse, not realised.

The timing was almost as good as when the Prime Minister decided to sell our gold reserves—at completely the wrong time in the market. Within six months of getting rid of the OPM, sterling plummeted. According to Sir Peter Ricketts, the pound fell by 25 per cent. against most currencies over the following period, wiping away a significant proportion of the spending power of local FCO budgets.

Parliament was not informed of the planned change, and not a squeak of protest has been heard from the Foreign Secretary or his colleagues. Repeated written parliamentary questions from my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), asking what position Ministers took on the proposed change and how many times it was discussed, have been rebuffed. It is worth noting here that the Foreign Secretary has had 14 different Ministers since he got the job. Such upheaval has coincided with the most difficult period in the FCO's finances, which prompts the question whether FCO Ministers were too busy fighting for their jobs to stand up for this critical mechanism.

The only explanation we have to date is the rather bizarre statement by the Secretary of State for Work and Pensions, the right hon. Member for Pontefract and Castleford (Yvette Cooper), who said that the FCO lacked the "incentive" to take currency movements into account and needed to be brought in line with practice in other Government Departments. That completely disregards the fact that no other Government Department has a fraction of the foreign currency exposure of the FCO.

Ministers are now trying to brush aside the issue, implying that the FCO's difficulties are merely the product of the tough financial environment and ignoring the fact that this was an own goal, a self-inflicted wound. If Ministers believe that this change was right and was in the interests of the country, why will they not come out and say so? I hope the Minister will state clearly whether he believes that this new arrangement is appropriate and give a full account of the reasons for it.

It would help if the Minister said whether he is aware of any major UK ally that requires its Foreign Office to bear the full brunt of foreign exchange movements, or whether the UK is alone in that respect. The US State Department, for example, has a buying power maintenance account to ensure that it does not suffer from adverse currency fluctuations.

The fact remains that the change happened on the Foreign Secretary's watch, and I hope he will be prepared to come to the House at the earliest opportunity, in Government time, to address the concerns about the state of the Department over which he presides.

Let us look at what we know of the consequences. In 2008-09, the first year without the OPM, the FCO budget for embassies took a hit of £59.2 million. In the current year, the hit on embassies is estimated to be £80 million. In the next financial year, according to Sir Peter Ricketts, the hit will be £120 million out of a budget of £830 million for the UK's embassies overseas.

In fairness, 190 British missions have had to receive extra money to compensate for the reduction in the spending power of their local budgets, but one head of mission complains that their local budget has been effectively cut by 25 per cent. The Minister of State, Baroness Kinnock, said last week that

"budget constraints have led to staff redundancies, cuts to travel and training, and reduced programme funding including our work on counterterrorism and climate change."

She described

"staff redundancies in Argentina, Japan and across the United States."

She said:

"Counternarcotics programmes in Afghanistan, capacity building to help conflict prevention in Africa, and counterterrorism and counter-radicalisation in Pakistan have all been cut"—[*Official Report, House of Lords*, 20 January 2010; Vol. 716, c. 992.]

Sir Peter Ricketts said:

"We have had to stop a lot of activity this year...we have stopped whatever programme activity was not committed, stopped most of our training and cut into our travel and our hospitality...local staff have not had overtime payments, or in some cases pay rises, and some are on involuntary unpaid leave or four-day weeks. We have a real problem within the budget".

It seems staggering that the work our embassies can do in a particular country depends not on our intent but on the strength of the pound against the local currency. That must affect morale and make consistent planning exceedingly difficult. Is there not a risk that diplomats are being posted overseas without the important training they would normally have? Is that not likely to have a knock-on impact on the effectiveness of British diplomacy? Ministers have been extremely coy about saying what training has been stopped and how many diplomats have been affected. It would be a matter of particular concern if the language training that has distinguished our diplomats for so many centuries were being affected. I hope the Minister is in a position to assure us that that is not the case.

Such is the incoherence that the cuts are eating into the new priorities established by the Foreign Secretary himself. In January 2008, he rewrote the FCO's strategic priorities, identifying four new policy priorities on which the FCO would focus. Three of those priorities were counter-terrorism, conflict prevention and climate change—the very programmes that have been cut.

[Mr. Adam Holloway]

The Foreign Secretary said that

"we will be increasing substantially the overall level of resources the FCO puts into counter-terrorism and counter-proliferation; climate change; Afghanistan and other conflict regions....All these areas will receive additional staff and money."—[*Official Report*, 23 January 2008; Vol. 470, c. 53WS.]

However, according to Baroness Kinnock, jobs and funding in those areas are now being cut.

The FCO has stopped its contribution to peacekeeping and conflict prevention in Latin America entirely and cut back its contribution in nearly every quarter of the globe. That must cause serious concern, and it seems likely to affect our international reputation, especially given that our major ally, the United States, is dramatically increasing its spending in those areas. It must also distract FCO staff from the business of diplomacy, which is supposed to be the FCO's core function. FCO senior management must now oversee highly complex hedging operations, receiving advice from HiFX Financial Services costing £41,000 a year.

What of the future? Sir Peter Ricketts has warned starkly that

"the budgetary pressures...put a question mark over whether we can maintain the number of people we have abroad",

and that the closure of British embassies overseas cannot be ruled out. It is time for the Government to tell us.

I hope the Minister will answer the questions I have raised, respond to the following specific points and write to me with any answers he cannot provide today. First, the Foreign Secretary took over in June 2007, and the OPM was withdrawn that October. Will the Minister clarify once and for all whether that was a decision overseen by him, an act of his outgoing predecessor or just an oversight?

Secondly, did any FCO Minister oppose the decision to remove the overseas price mechanism? If not, why not? My right hon. Friend the shadow Foreign Secretary has tabled a written parliamentary question on the subject to the Foreign Secretary, but has been stonewalled. Which Minister oversaw the decision? Did the Foreign Secretary personally raise the issue with the Treasury? Was he briefed on it by his officials?

Thirdly, will the Minister account for the discrepancy between what Baroness Kinnock said to the House of Lords last week—that FCO counter-terrorism programmes in Pakistan have been cut—and what the Foreign Secretary said in a letter to my right hon. Friend the Member for Richmond, Yorks yesterday? The Foreign Secretary said that there had been and would continue to be a rise, year on year, in his Department's spending in Pakistan.

Fourthly, why is the FCO budget still taking such a huge hit from adverse currency movements—over £100 million by the end of the year, according to Sir Peter Ricketts—two years after it implemented its own mechanism to hedge against currency movements? Are Ministers satisfied that the new system is working sufficiently well? If not, what are they doing about it?

Finally, Sir Peter Ricketts said in December that the FCO was in discussion with the Treasury about the budget crisis. What was the outcome of those discussions? The hedging strategy is clearly not enough to compensate fully for the absence of the OPM, and the permanent under-secretary is warning that embassies may have to be closed as a result. Are Ministers asking the Treasury to step in and fill the gap, or are a string of UK embassies about to be axed?

It really is not a sensible proposition to run foreign policy on the basis of exchange rate movements. The nature of the threats that this country faces requires pre-emptive diplomacy in extremely dangerous and volatile parts of the world, where it tends to cost more to intervene and where the exchange rate risk is likely to be much higher because the place is riskier. There is a risk that the FCO will have to bear that in mind as a pre-eminent condition in determining whether diplomacy is feasible, rather than as a cost that must be borne as a matter of course in the pursuit of this country's national interest.

Sir Peter rightly described this country's overseas network as

"the Crown jewels of the FCO".

It is a valuable human and physical resource, a significant factor in our country's ability to continue to punch above its weight and a platform used by every Department overseas. That network, or parts of it, really is in jeopardy, and we need the Government to explain how cuts to it can be prevented and how the vital skills and training of UK diplomats can be preserved. We need Ministers to reassure Parliament and the public that the country's ability to project its influence overseas is not being limited. In today's challenging environment, the Government should be working to build our influence in selected areas, not presiding over its decline.

1.16 pm

The Minister for Europe (Chris Bryant): It is a delight to serve under your chairmanship, Mr. Caton. I congratulate the hon. Member for Gravesham (Mr. Holloway) on securing this timely debate.

I should say from the outset that the most important thing in the Foreign Office is not the buildings that we own or the places where we are, but the job that we do—it is not about being, but about doing. That reflects one of the significant changes that have taken place in diplomacy over the past 50 years. In the past, people said, "Let's have the biggest building we can, to show that the British empire still rules the roost," but nowadays people are far more interested in being effective in the countries that we talk to.

The hon. Gentleman is right that we have had to make our priorities clear in recent years, and we have had to focus our spending clearly on them. When my right hon. Friend the Foreign Secretary arrived in post, he was right to say that he wanted to make sure that the whole Foreign Office network was clear about what its point was and which priorities it had to pursue with absolute diligence.

Other countries in Europe face difficult issues about their representation in different parts of the world. Yesterday, I was in Brussels with Europe Ministers, and some of them were complaining that Sweden has just closed five embassies in European Union member state cities but opened 10 new places elsewhere—ironically, we have just reopened our office in Malmo. That is a constant process, which the Foreign Office and every country in Europe will have to engage with throughout the years ahead. We have no specific plans for closures

at the moment, but we always have to make sure that all our money is focused on the job in hand and on getting things done.

The hon. Gentleman mentioned the overseas pricing mechanism and he is right that we have seen much greater volatility over the past few years than in previous years. In the four years up to 2007-08, when the mechanism still existed, there was never a movement of more than £20 million in one year, whereas this year and last year have seen much more significant changes.

There is clearly a difficult set of issues to resolve in the Foreign Office and, for that matter, in the Government. In that respect, I can absolutely reassure the hon. Gentleman that the Government have no intention of diminishing our presence in the world or reducing the work that we do. However, in our estates policy—the Foreign Office owns a large amount of estate around the world, which has quite often been gifted to us by generous Governments and sometimes by British citizens abroad—we will always want to make sure that we use every pound effectively. That is why we have been going through a series of good housekeeping measures over the past few months. One relates to what allowances should be paid to diplomats and UK staff based abroad, another relates to how we organise our travel and another relates to the estate. Thirty or 40 years ago, many members of staff in an embassy would have been expected to entertain in their embassy-provided flat, but that is much rarer today. In many cases only the ambassador would be entertaining at home; so matching the estate to the needs of a modern diplomatic service is important.

The hon. Gentleman referred—rather disparagingly, I thought—to laptop ambassadors. It is certainly true that in some places we must be nimble and light of foot. For instance, in Laos we do not have an ambassador in Vientiane. We are accredited to Laos, but the Australians have taken over our embassy—they are based in it—and they provide much of the consular support to us. However, the British ambassador in Bangkok regularly visits Laos. We must have a presence at the appropriate level for each country. In the past 10 years Foreign Office staff have been far more imaginative about how we can do that creatively, so that in the Baltic states, for instance, rather than having an expert on every issue in every post, we have tried to work together in the region, not least because the countries in question also tend to work as a region. We can get more bang for our buck—or pound, depending on the exchange rate.

It is worth pointing out that roughly 50 per cent. of our posts have fewer than four members of staff. That is not particularly new; it is just a fact, because sometimes that is the appropriate level of representation. I want to focus more on the outcomes that the Foreign Office tries to achieve, which we have been good at in the past few years, than on just the practicalities of how many people we have around the world, and how many buildings they are in.

One of the key things that we want is to protect the United Kingdom from threats from around the world. The EU Operation Atalanta, off Somalia, in which we targeted the piracy that has plagued many British shipping companies, is a vital part of our work, and we are leading the effort. Likewise, we provide training to increase counter-terrorism work in many parts of the world, and that, too, is an important outcome. We obviously try to promote the UK economy—UK Trade and Investment takes the lead on that—through our embassies. We reckon that that has brought in £3.6 billion of additional profits to the UK. In addition, we try to lead in international organisations on a series of key issues for the United Kingdom. I would particularly mention our work on the cluster munitions and land mines conventions. Our leadership played an important role in bringing those about. I look forward to taking forward the Cluster Munitions (Prohibition) Bill in the next few weeks; it has already been through the House of Lords.

I disagree with the hon. Gentleman, therefore, about his characterisation of where the Foreign Office stands today. My experience, having visited many embassies in Latin America, Australasia and Europe, is that our presence is well placed and well met. It is highly resourced and people can do a good job because of the quality of the people that we recruit and because there is phenomenal pride in working for the Foreign Office.

The hon. Gentleman asked some specific questions, which it is only fair that I should try to answer. He asked about counter-terrorism spending in Pakistan. I do not think that he was in the Chamber on Thursday when I answered an urgent question on that. I tried to make it clear then, as I want to now, that it is not true that less money will be spent next year than this year or last year on counter-terrorism in Pakistan. Some of the newspaper reports that have suggested, for instance, that there will be a £110 million cut to counter-terrorism spending in Pakistan are wide of the mark, not least because we have never spent anything like that on counter-terrorism in Pakistan. The figures are these: in 2008-09 we spent £35 million on counter-terrorism; in 2009-10 we shall spend £36.9 million; and we expect to spend about £38 million in 2010-11.

The largest proportion of that counter-terrorism budget, by some considerable distance, is spent in Pakistan; it amounts to some 28 per cent. of that budget. That means that we spent £3.7 million in 2007-08, £6.3 million in 2008-09 and £8.2 million in 2009-10, and we are projected to spend between £9 million and £9.5 million in 2010-11. It is certainly true that we would always want to spend more on counter-terrorism in Pakistan and we have had ambitions to spend more, but as I said last Thursday, we have had to curtail those ambitions.

The hon. Gentleman asked whether there are ongoing discussions with the Treasury on this subject. I have to say that the Treasury has been entirely helpful throughout the process of our having to deal with these issues. The discussions are far from complete and I very much hope that they will be successful. I know personally that the Chancellor of the Exchequer and the Prime Minister are very focused on the need to have a strong presence in the world. During the next two days, with the Afghanistan conference here in London, I think that we will see that Britain is well respected, not only because of the Foreign Office but because of the trilateral work that we do, in the Foreign Office, the Ministry of Defence and the Department for International Development. Those three Departments work very closely together and, of course, they are the three Departments that are most affected by exchange rate changes.

Mr. Holloway: I agree with much of what the Minister is saying. However, surely the substantial point here is that we are in a position where we have to expand or

[Mr. Holloway]

reduce our diplomatic operations in line with the movements of exchange rates. Is that really a way to run an effective foreign policy? Also, what is he doing to try to claw back what has been for the FCO the disaster of removing the OPM?

Chris Bryant: As I said last Thursday and as I have already said again today, this is a difficult time and we need to do every piece of good housekeeping to ensure that we receive value for money, especially in relation to our estate and the way that we recompense and remunerate our staff. Furthermore, we have not yet completed discussions with the Treasury on our financial situation for the next financial year.

However, I would just push back this point to the hon. Gentleman. Today, rather unusually for him, he has been something of a front man for his own Front Bench.

Mr. Holloway *indicated assent.*

Chris Bryant: Just for the record, the hon. Gentleman is nodding and he is obviously very proud of being that front man. However, I want to ask him whether the Conservative party would reinstate the OPM. Would the Conservatives increase the amount of representation in Latin America? I know that Baroness Rawlings, who speaks for the Conservative party, was boldly announcing last week that it had every ambition to increase the number of British embassies in Latin America. Therefore, would the Conservatives increase the number of our embassies in central America? For example, would they reopen the embassy in Tegucigalpa? Do they really have any intention to spend extra money—because if they do, we would like to know the figures.

Mr. Holloway: The Minister rightly points out that I am an extremely lowly and unimportant Back Bencher, so I cannot answer those questions. However, what I am sure of is that the Conservative party will not expand or reduce Britain's overseas footprint or our ability to project the country on the basis of foreign currency fluctuations.

Chris Bryant: That is not what I predict the Conservatives would do if they were to become the Government. I urge the hon. Gentleman, because he has spent a great deal of time talking about his correspondence with the right hon. Member for Richmond, Yorks (Mr. Hague), to speak to him and ask him to answer my letter of last week, in which I asked him a series of questions about how the Conservatives would finance the Foreign Office. Is it true that they would end up raiding the overseas development pot to pay for the extra embassies that they intend to open? Is the right hon. Gentleman making promises that he cannot possibly fulfil?

Mr. Holloway: Cut the politics. *[Laughter.]* No, seriously. It is not politics; it is actually really important. It is about Britain's diplomatic footprint. Is the movement of foreign currencies—foreign currency fluctuations—the basis on which to expand or reduce our presence abroad?

Chris Bryant: Well, I do not think of the hon. Gentleman as a minor player in the Conservative party. As he has already acknowledged, he is their front man for this debate today, so it is a bit rich for him to start accusing me of playing party politics. The truth of the matter is that I do not think that the most important thing in the world is just being; it is what we do and whether we are able to make a difference in different parts of the world. And I have every confidence that the discussions that we are having, between the Foreign Office and the Treasury, will be able to move this issue forward.

Mr. Martin Caton (in the Chair): Order. We must now move on to the next debate.

2012 Olympic Legacy

1.30 pm

Mr. Richard Caborn (Sheffield, Central) (Lab): Thank you, Mr. Caton, for allowing this debate on the UK school games and the 2012 Olympic legacy. A quiet revolution has been going on in this country in school sports, particularly over the past decade. In 2000, around 25 per cent. of our young people experienced two hours of quality physical activity or sport a week, and by 2009 that had increased to over 90 per cent., which means just under 4 million hours more of sport and physical activity a week in our education system.

When I was Minister for Sport I discovered the real depth of talent we have in our schools. Although we had, and still have, competition managers who do a fantastic job in the school sports partnerships, many said that they wanted to try to find a system in which we could bring the very best of our young people together to perform against each other, and in doing so we would sharpen up the competition.

However, we would also be able to do something else. Those who have been able to go to the Olympics or the Commonwealth games will undoubtedly know that they are totally different from any other sports event. In single sports events one goes to see one event, such as athletics or hockey, but when one brings all the sports together—there are 27 in the summer Olympics—and the athletes live in the camp, eating together and socialising, and then competing against one another, many of them are often put off by that atmosphere, particularly in their first experience of a multi-sports event, such as the Commonwealth games or the Olympics.

Therefore, there was some discussion about how we could reproduce for our young people that type of experience: to come in, have an opening ceremony and then compete. In the margins of that we could bring Olympians in to do mock anti-doping—I hope it is mock—so that the young people get all that experience. The person who epitomised all that is none other than Darren Campbell, a good friend of the UK school games. Darren stated in an article on those games:

> "The Games are paramount to the success of future world champions...Some superstars will be born here...it replicates what happens at the Olympic Games, so if these young people get there they won't be scared. I think that the sooner you get over the fear of whatever you want to do in life the more successful you will be".

He summed up well what we are trying to achieve by giving the young people the experience of participating in the UK school games.

Two important events in this regard came together in 2005: London, as many people know, won the right to stage the 2012 Olympics; and the Millennium Commission, which I happened to chair at the time, was winding down. It had a few bob in the bank that it did not plan to spend, so the longest serving trustee, Michael Heseltine, and I got together and decided, because 2012 was on the horizon, that it would not be a bad idea if some of that surplus money was put to good use by trying to create a platform of a legacy for our young people in schools and taking that forward.

Those two things came together, and the board agreed that some of the commission's surplus would be used to develop a sports event for young people that would run up to the Olympics, and hopefully beyond. That was in part how the UK school games came into being. At the same time, the then Chancellor of the Exchequer, my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr. Brown), was very supportive and chucked a few bob into the pot. There was a suggestion that we call the event the school Olympics, and I can assure you that there was absolute hell on that point, because one cannot use the coveted word "Olympics".

What I want to make clear for the press in particular, and to those of the press who have not come to the debate, is that they tend to criticise us, including the Sports Minister, my hon. Friend the hon. Member for Bradford, South (Mr. Sutcliffe), and claim that we do not have enough competitions in schools and do not do enough to provide the facilities for competition, but I have never heard such claptrap. First, as I have said, the participation rate among young people in education has increased here more than in any other country. Secondly, we have competition managers. Thirdly, we are developing new types of structures, such as the UK school games. The latter is not a glorified sports day; we are trying to give the very best to our young people in order to equip them for the international stage and to give them confidence and experience. Together, experience and confidence result in a winning team.

I therefore say to the press, "Instead of carping, come to the UK school games. Come and see what our young people are doing. Come and experience it." It will be in Gateshead this year and in Sheffield, the centre of the universe, in 2011. I shall speak later about 2012. The press ought to start reporting on our young people. Since Glasgow in 2006, many have gone into the Olympics. Many performed in the Beijing Olympics, and have gone on to the international heights in their sports.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I pick up on the point about newspapers. Only one national newspaper gives school sport significant coverage, and that is *The Daily Telegraph*. It is not often that we on these Benches congratulate that newspaper. That sort of investment in reporting is important for our sporting superstars of the future. Perhaps my hon. Friend should congratulate *The Daily Telegraph*.

Mr. Caborn: Very much so. However, it is not only *The Daily Telegraph*; it is also Gareth Davies, who is an institution in his own right. I compliment him on what he writes about the UK school games; as my hon. Friend says, he keeps school sports and grass-roots sport in the national newspapers, and all credit to him. If one or two journalists followed Gareth Davies, I am pretty sure that readers would be much more enlightened about what is happening within the school structure, and how we are preparing young people to perform on the international stage.

That is how the UK school games came about. It started in Glasgow in 2006. It has grown from 1,000 athletes in five sports in Glasgow to 1,600 athletes last year in Wales. I see that the hon. Member for Bath (Mr. Foster) is with us today. With his colleagues from Bristol, he put on a fantastic games in 2008. As we have gone down the country—from Glasgow to Coventry, to Bath and Bristol, to Cardiff and Wales—we have been left a legacy of young people who have volunteered to officiate.

[Mr. Caborn]

Yes, many of the spectators really enjoyed what they saw at those first-class events, but that is on the day. The hon. Gentleman gave me a note the other day about the spin-offs. There have been eight sports festivals in the sub-region, with family fun days; and there were 156 new school sports competitions, engaging 15,000 young people of whom 9,000 were new to school competition. It also involved the recruitment and training of 270 volunteers; that is a legacy that we should treasure. It also brought £2.4 million into the local economy. It shows what impact the UK school games can have on cities.

That development has been taking place and it has left a legacy. This year, the UK school games will be in Gateshead, in the north-east. I hope that there will be a greater number of sports. In 2011, it will be going to Sheffield; and we may have as many as 12 or 14 sports and nearly 2,000 athletes. That is close to the figure that we see in other multi-sports event, such as the Commonwealth games. That is the type of experience that we are able to give our young people. As I said, we have seen many of those young people competing in international events.

Eleanor Simmonds was the youngest ever British Paralympic champion, and that reminds me that I should also say that we have integrated the Paralympics in many sports, as well as the able-bodied Olympics being integrated. That has been a huge success. I have to pay tribute to a number of people who have made that happen, particularly the governing bodies, which have been first class in supporting the UK school games. Many of those bodies are now saying that the UK school games is influencing the way that they schedule the competitions for their particular sports, which are coinciding with the games around the September period.

I also pay tribute to the Youth Sport Trust, which is a first class organisation in its own right, for what it does in schools. It has embraced the UK school games as an integral part of the development of the school sports partnership. As ever more young people are playing more sport and participating in physical activity, it has been able to start building a pyramid with excellence at the top. Under the leadership of Steve Granger that organisation has done a first class job.

Fast Track has brought to the UK school games the professionalism that it brings to all the work it does. We have seen some of the top officials coming into the UK school games, aided and abetted by Fast Track, which is a very professional organisation.

Young people, such as Emma Wilkins in 2007 and Craig Hamilton in 2008, took medals at the UK school games and went on to join the squad with our Olympic champions, Rebecca Adlington, David Davies and Jo Jackson. That shows that, as young people come through the UK school games system and through the competition management and development system of the school sports partnership, they move on to the highest level internationally in their sport, representing our country somewhat better equipped than they would have been had they not had that experience.

Where do we go in 2012? It will be a fantastic year, there is no doubt about that, with the Olympics, the Paras and the build up to that. But looking a little bit beyond that, what will happen to the facilities? What happened in Beijing? More than 20,000 a day went to see those facilities after the Olympics in Beijing. People want to experience those facilities. What would be better than holding the four days of the UK school games there after the Paras close? More than 2,000 young people, who are at the top of their sport, will be able to experience the place where the great athletes of the world will probably have broken records and will definitely have won gold medals, a lot of which I hope will be from Britain. Those young people will be able to perform in those facilities before they are reconfigured in legacy mode.

It is important to ensure that part of our legacy includes giving as many young people as possible the experience of performing. The Olympics is a once in a lifetime—perhaps a once in two lifetimes—opportunity. The last Olympics held in Britain was in 1948. Not many hon. Members in this Chamber were born in 1948, but I was—

Mr. Don Foster (Bath) (LD): I was.

Mr. Caborn: The hon. Gentleman says that he was born in 1948.

What a great experience it will be for those young people to perform in those facilities. They will have those memories for the rest of their lives. That is part of the legacy. What will be even better is for all those young people around the UK who have seen great athletes on television performing in those facilities for three or four weeks to visit and see their peer group perform there too and, in doing that, experience the facilities for themselves.

It would be even better than that if we told every secondary school in this country in the next few weeks that they could have 60 to 70 places, allowing young people to come to London and watch young athletes in their peer group perform, and thereby experience the facilities. I do not think that that is impossible. In fact, discussions are taking place now with the commercial world—businesses—to see whether we can get sponsorship for every secondary school, which is some 3,000 secondary schools, throughout the length and breadth of the United Kingdom. We will tell 60 or 70 young people from those secondary schools that they can come to London and have some type of competition—as the hon. Member for Bath did on a small scale for a number of schools in relation to the UK school games. That could be replicated across the United Kingdom.

There is no doubt that one of the problems with the Olympics—it is a fact of life—is that is has a draw-down factor to London, because inevitably that it where the action will take place. Some of the regions feel a bit left out. We have done our best to ensure that the impact has been nationwide, but it is always difficult. Inviting every secondary school to send 60 or 70 young people to have such an experience will be something that lasts them a lifetime.

Discussions are going on about the possibility of staging the UK school games in 2012 immediately after the Paras. We would then be able to ensure that we allowed young people to come down to London to watch them as well. Discussions are taking place with the London Organising Committee for the Olympic Games, the Olympic Delivery Authority, the Mayor's

office and the new committee that has been set up to consider the legacy. I hope we will have a positive response from them.

It is true that there will always be sceptics. One of the problems with running the Olympics is that everybody is focused on that and no one looks beyond it. It will not be music to the ears of some of the organisers that we want to put another event on for four days. I do not know what the major sponsors will do but, through my hon. Friend the Minister, I will say to them that they should seriously consider rolling over support for another four days to the UK school games. I think it would be financially viable for them to do so. I would have thought a quarter of a million kids eating burgers in those facilities is worth a little bit on the bottom line, and a few bob in the coffers to help run the UK school games would be very helpful indeed.

We also need a major sponsor—we are discussing that with a number of organisations—so we can go to the schools and say that transportation will be provided on a certain day and that the young people will be brought down. My colleagues—my ex-colleagues—at the Department for Culture, Media and Sport, who are responsible for part of the legacy and the organisation, can from time to time be a little bit risk averse, but I am sure they will take the risk averse hat off, put the progressive hat on and say, "Here we have a great opportunity for our young people to be able to perform in these facilities."

I have been involved with the Olympics, so I know the organisation that takes place and how those involved become focused on the end objective—on winning medals and making sure we have a first-class event—and that anything that disrupts that is considered to be an irritant. I say, "Fine. It might be a bit of an irritant, but it's one that you can absorb into that organisation." We can roll over the organisation of the Olympics and the Paras into the UK school games. I believe that is very achievable.

My proposal would put a fantastic feather in the cap of the Olympics, LOCOG and the Government. Why do I say that? Why is it that Jacques Rogge, the president of the International Olympic Committee, has instituted the youth games on opposite years to the Olympics? After talking to Jacques, I discovered that the reason was that the Olympics have to some extent lost their way. The event has became fairly commercialised and sport follows business, rather than business following sport. Talking to Jacques, which I did on a number of occasions, he was very keen to ensure that the Olympics come back to how they were when they started and that the event should reflect what the five rings actually stand for—the excellence of sport and all that springs from that.

We could run the UK school games, which are quite unique, on the back of our Olympics in 2012. We were talking to the IOC and asking whether that could be done in the future as well. Could the countries that host future Olympics use something like the UK school games to lift the whole structure of sport and physical activity in their schools, and bring together young people at the highest pinnacle of excellence? I think that that is possible and laudable and that it would go down extremely well. Such a proposal would be a major part of our legacy, which some people believe has not been given the attention it deserves. This idea gives us a great opportunity to do that.

I ought to declare an interest, because I am the president of the UK school games—I should have done that at the beginning. There is not only a need but a great desire to keep such competitions and experiences for our young people after 2012. We ought to start talking about locking the UK school games and the school sports partnerships operating effectively around the country into the Olympic legacy programme. If we held the games every two years after the Commonwealth games and the Olympics, we could use competitions and school sports partnerships during the fallow year to develop at the regional level.

We have laid a base for a proper discussion about how to develop sustainable competition, to which our young people have responded positively, thanks to all those who have supported the UK school games. My colleagues at DCMS have done a fantastic job, as have the cities that have hosted the games. When we put the matter out for competition, twice as many cities wanted to host the UK school games as we could manage between 2005 and 2012. I also thank the Youth Sport Trust, Fast Track and my hon. Friend the Minister for his support for the games since he took over the mantle of Sports Minister. They have been absolutely first-class, and I thank them. I think that the results that we have been producing through the games year in and year out are a credit to all the effort put in. If the press took a little more notice of the situation, it would be the icing on the cake.

Mr. Foster: On a point of order, Mr. Caton. Can you confirm that there is a little-known rule that prevents Front-Bench spokesmen who participate in debates such as this from giving the full support that I would wish to give to the right hon. Gentleman's excellent proposals?

Mr. Martin Caton (in the Chair): It is true that such a rule exists. You could perhaps take it up with the Chairman of Ways and Means if you would like to see the rule changed, but I am afraid it is a rule at present.

1.52 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): It is a great pleasure to respond to this debate. As a Minister, I usually find that when I respond to debates, I must knock down the arguments made by colleagues from any party, but I support wholeheartedly what my right hon. Friend the Member for Sheffield, Central (Mr. Caborn) said and I congratulate him on the work that he has done as president of the UK school games and in sport over many years, not just during the time when he was Sports Minister. His commitment to sport is well known.

My right hon. Friend is right to point out what is happening in school sport. He called it a quiet revolution, and I agree. There are a lot of myths about school sport that need to be broken down, and the UK school games have helped us do so, not in isolation but as part of an overall strategy on school sport. As he said, the UK school games were and are intended to ensure that our elite athletes have the opportunity to feel what it is like to be in a games scenario.

It has been my great pleasure during the past three years to attend games in Coventry and Bath. I am delighted that the hon. Member for Bath (Mr. Foster) is with us. He was a big supporter of the games in Bath

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and helped them grow from the previous stage, and I know that economically and in terms of sports and volunteerism, Bath is a much richer place. The comments about the games in Bath and Bristol were superb. I congratulate him on the work that he has done.

The games are part of a strategy to ensure that people enjoy the benefits of sports. Those of us on the Government Front Bench who are involved are committed to them. We know that sport changes people's lives for good. Not only does it give them the individual satisfaction of doing well in a particular sport, but it brings life-enhancing skills and teaches people about teamwork and relating to other people. The friends that people make through sport while growing up, particularly school sport, stay with them all their life. Sport and the power of sport are important to us all, particularly this Government. Sport unites people. One great thing for me is that people do not have to speak the same language to understand, benefit from and be delighted by sport. The passion for sport is one reason why my right hon. Friend and others were successful in bringing the Olympics and Paralympics to London in 2012.

It is appropriate to use sites in the way that my right hon. Friend suggests. As he said, there are logistical issues and detailed discussions to be had with some of the bodies involved, including the Olympic Delivery Authority and the London Organising Committee of the Olympic Games and Paralympic Games. However, the principle is right, and I was grateful that the hon. Member for Bath and the hon. Member for South-West Surrey (Mr. Hunt), who leads for the Conservatives on this matter, expressed their support in *The Daily Telegraph* this morning.

I hope that kills off the idea of having a schools Olympics, because we do not need one. We do not want to confuse the situation, but to build on the strengths that we have. As my right hon. Friend said, we have 432 sports colleges and 450 school sports partnerships. We also have competition managers and sports leaders. When I go around looking at school sport, one of the exciting things is to see sports leaders from secondary schools going into primary schools to teach sport and to help the PE teachers to develop sport.

There are therefore myths that need to be busted about participation rates, although the stereotypes about school sport are going. In the past, girls played hockey and netball and boys played football, cricket and rugby, but that has all changed. A lot of that is down to the investment that has gone into school sport and the work of the national governing bodies. We can now see mountaineering, canoeing and a vast range of other sports in schools. The competition element is also back, and that is key. There was a period when competition was taken out of school sport, and sport and society suffered as a result.

It is important that we rebuild confidence in school sport, and we are doing so. It is also important that we have the networks in place to allow our elite sports boys and girls to get into the school games. As my right hon. Friend said, he started the games off in 2005, and they have grown incrementally ever since. We will be in Tyne and Wear this year and we look forward to being in Sheffield in 2011, when I know that we will have a great games.

There are issues about what will happen after 2012, and the Department is going through them to evaluate the long-term future of the school games. However, I want it to go beyond 2012, and the opportunities are there. That would be such a boost in terms of the sporting legacy of 2012. It would also help with what we are calling the decade of sport, which started with the Twenty20 world cup last year. Every year there would be a major sporting event in the UK, hopefully leading up to the soccer World cup in 2018.

It is great to hold those great events, but they also provide opportunities for our young sportsmen and women to see role models and to have something to aspire to and achieve. Nobody was prouder than I was when I came back from Beijing to watch the Olympians and Paralympians parading their medals at the ceremony in London. The impact of that has gone right down into our communities. Those Olympians and Paralympians are now acting as role models and an inspiration for future generations. We are making sure that we have the structure in place to encourage that.

I want to make sure that the opportunity that my right hon. Friend presents us with is looked on positively. I will be pleased to help in any way that I can with the discussions and negotiations that we will need to have. It is good that we have all-party support, because we can use our collective strength to help the school games to develop even further.

I thank the Youth Sports Trust and Fast Track for their work. There have been questions about the cost and the value for money of the school games, but I am satisfied that they are an important part of what we want to happen in school sport as we try to develop our sports infrastructure.

It is important that we do well in London in 2012, and I am sure that we will. However, I also want us to do well in 2016 and 2020, and we will not if we do not have the sports infrastructure in place to enable our elite sports boys and girls to taste what it is like to be at the games. We took a lot of youngsters who were not competing to Beijing to sample the atmosphere, and the UK school games allows people to do that as well.

My right hon. Friend makes a fantastic proposal, which we would want to support, with the caveats about needing to work with certain organisations. Collectively, however, I am sure that we can cut out the nonsense about a schools Olympics. We have our schools Olympics—the UK school games—and we want to develop them further.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 27 January 2010

[DR. WILLIAM MCCREA *in the Chair*]

Dairy Farming

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mark Tami.)*

9.30 am

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): It is a pleasure to serve under your chairmanship, Dr. McCrea. It is good to see so many hon. Members join us for the first debate of the day, on the future of dairy farming in the UK. I know that a number of hon. Members want to make contributions, so I shall be as brief as I can and do a general skirt-through some of the issues.

The first Westminster Hall debate in my name, back in 2005, shortly after I was elected, was on this very issue. I am returning to it in the closing weeks of this Parliament because many of the challenges facing the dairy sector that prompted me to write to Mr. Speaker the first time round have not changed fundamentally. The industry still faces difficult and uncertain times. I accept that the picture is not entirely bleak and there are some positives to talk about, but dairy farmers across Britain and the EU have been through another horrible year.

The seriousness of the situation was recognised by a Welsh Assembly committee report on the future of dairy farming in Wales published shortly before Christmas. The European Union has also recognised the particular difficulties facing the dairy sector in the past year or so across the continent. Its work on the EU dairy market situation was debated upstairs in European Committee A on Monday night.

My starting point today is the same as it was for my first debate, in 2005. It is the simple belief that a vibrant, healthy dairy farming sector is vital to Wales and Britain, both for its importance to the rural economy in many parts of the country and for its contribution to national food security. It is good to see hon. Members present from all corners of the British isles, representing at least four different political parties.

Mr. Lindsay Hoyle (Chorley) (Lab): I thank the hon. Gentleman not only for initiating a very important debate, but for coming back to ensure that farmers have a voice in the House. It is good to speak under your chairmanship, Dr. McCrea. Dairy can play a major role in food security, as the hon. Gentleman just mentioned. The other issue is the need to ensure a long-term viable, sustainable future for farming, instead of farmers living on the edge, never quite knowing what the price will be. Does the hon. Gentleman agree that the issue is farm-gate prices as well as food security?

Mr. Crabb: The hon. Gentleman, who is a doughty campaigner on behalf of the dairy sector in the UK, has summarised the key issues very well. The debate is about exactly those issues. It is about restoring confidence to the sector so that farmers can plan for a stable future, and seeing some profitability come back into the sector.

Lembit Öpik (Montgomeryshire) (LD): I, too, congratulate the very hard-working hon. Gentleman on achieving this debate. Adding to what the hon. Member for Chorley (Mr. Hoyle) just said, does the hon. Member for Preseli Pembrokeshire (Mr. Crabb) agree that the other consideration, which is more important now than it was five years ago, is the environmental one? My constituents in Montgomeryshire find it quite frustrating to look on to the hills and into the fields and see locally produced livestock—sheep and cattle—and then to observe that the supermarkets are full of produce that has come thousands of miles from the other side of the world. Surely that is bad environmental politics and very bad for our local economy as well.

Mr. Crabb: I agree with the general thrust of the intervention. It is a good thing to be supporting local food, and in my local supermarkets I see an increasing amount of local produce on the shelves, but we need to see more of it. We need to give much more priority to local, home-grown produce.

David Simpson (Upper Bann) (DUP): I welcome you to the Chair, Dr. McCrea, and I congratulate the hon. Member for Preseli Pembrokeshire (Mr. Crabb) on obtaining this very important debate. Does he agree that one difficulty that the dairy sector, along with other farming methods, has faced is that the legislation from Europe has hindered many farmers, who have been put to unnecessary expenditure? Then of course we have the difficulties with the banks at the moment.

Mr. Crabb: There is no question but that one of the things that has eroded profitability in the dairy sector in recent years is the significant increase in production costs, and a large part of that increase has been driven by the increasing amount of regulation.

To return to my speech, I do not look on the decline in dairy farmers as a positive restructuring of an industry in transition and I do not believe that we in this place should be neutral about the forces shaping this important industry. One positive thing that came out of our debate in 2005 was the formation of the all-party group on dairy farmers. I pay tribute to my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski), who is present, for taking a lead on that and, with the assistance of the Royal Association of British Dairy Farmers, ensuring that there is a dedicated cross-party voice speaking up for the dairy sector in this place. When he is not authoring books on Colonel Gaddafi, my hon. Friend is being a powerful advocate on behalf of dairy farmers in his local area and across the UK.

Last month, a consortium of farming organisations, including the National Farmers Union, Farmers For Action, NFU Scotland, NFU Wales, the Farmers Union of Wales, Dairy Farmers of Scotland and the Royal Association of British Dairy Farmers, wrote to me and the other officers of the all-party group to alert us to the very difficult year that the dairy industry went through in 2009. My request to Mr. Speaker for today's debate was in part a response to that sobering letter that we received just before Christmas.

If we look back over the past five years, it is clear that the sector has been shaped by a number of events and trends. The volatile milk price hit healthy heights in 2007-08, but has since collapsed, leaving many farmers once again receiving a price for their milk that is well

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below their production costs and leaving them unable to plan investment in the new kit that they need to stay competitive. Bovine tuberculosis has continued its destructive spread through many dairy farming areas, decimating dairy herds in the process.

Mr. Oliver Letwin (West Dorset) (Con): Does my hon. Friend agree that for those of us who have dairy farmers in TB hotspots, that has become one of the major issues now and we urgently need effective action from Government to eradicate the source of the problem?

Mr. Crabb: I agree absolutely. I shall make some comments about bovine TB later, but it is clear that that disease is having a devastating impact on many farmers in many parts of the UK and we need urgent action.

Last year, we saw the collapse of the Dairy Farmers of Britain co-operative, which rocked the sector and left many farmers facing losses of tens of thousands of pounds each. That shook confidence across the board. Meanwhile, Britain's supermarkets have continued to expand and increase market share relative to other outlets for dairy products, and the question of their market power and strength within the supply chain persists.

Mr. Letwin: My hon. Friend has touched on both points to which I hoped to draw his attention. Does he agree that in relation to the supermarkets, there is now an urgent need for an ombudsman properly to enforce the code?

Mr. Crabb: I agree; that is a key point. I am pleased that the Government have finally responded positively to that recommendation by the Competition Commission. My party has been campaigning for that for some time, as have other parties. There is no question but that we need a serious neutral body that can look clearly at the way in which the supermarket supply chain is working, make recommendations and take remedies where appropriate.

On the point about supermarkets, we have also seen some positive trends in the past few years. I am thinking of the move by Tesco, Asda, Marks and Spencer, Waitrose and others towards direct contracts with milk suppliers, which has meant that some farmers are receiving an economic return for their production, although I accept that others who are outside those contracts are left struggling. We have seen continuing attempts by the major processors to create higher-value-added brands, which can achieve better prices for products, but set against that, we have seen the Food Standards Agency persist with its campaign against dairy products—its vilification of dairy products as part of its campaign against saturated fats.

Mr. Hoyle: One supermarket that the hon. Gentleman did not mention is Booths Supermarkets in the north-west, which deals with local farmers. I do not know whether he has seen the same in his own area, but a new Asda supermarket is coming to Chorley. There is nothing wrong with that, as long as it plays its part. I have suggested to Asda that it ought to have a local purchasing agreement to buy local farm produce in order to reduce the number of food miles. Does the hon. Gentleman agree that that would be a good way forward and show that Asda, or whichever of the big supermarkets is involved, is playing its part to support our local community?

Mr. Crabb: That is an excellent suggestion and I hope that Asda responds positively to the recommendation that the hon. Gentleman is putting to it.

The backdrop to the debate has been a changing one, and I shall describe some of the challenges in more detail in a few moments. First, however, I want to say a few words about my constituency, which is part of the great west Wales milk producing region, where dairy farming has been part of the fabric of economic and social life for generations. In that respect, we are not debating just an economic activity, but an activity that sustains the very social structure of rural life in Pembrokeshire and many other parts of the country.

What has happened in my constituency is a microcosm of what has been happening to the dairy sector right across the UK in recent years. Some of the dairy farmers in my constituency who briefed me before the 2005 debate are no longer producing milk; some have switched to beef farming, while others have quit the industry altogether. Still others have retired because their children did not see a viable future in dairy farming, and their farms have been sold or merged into much larger farming units. Pembrokeshire is also a key bovine TB hot spot, and a number of our large dairy herds have been devastated by the disease. In addition, several of my constituents were directly affected by the collapse of the Dairy Farmers of Britain co-operative.

However, the picture in my constituency is not entirely negative, and there are some positive things. I would point, for example, to the dairy processing plant in Haverfordwest, which is owned by First Milk. The co-operative uses the brand name The Pembrokeshire Cheese Company to create high-value-added cheese brands and will, I hope, create a better future for the local dairy farmers who supply it.

Lembit Öpik: The hon. Gentleman mentioned the collapse of Dairy Farmers of Britain. Did he, like me, experience the outrage felt by farmers in his constituency, who basically acted in good faith and who were of the impression that the organisation was allowed to trade long after it had become insolvent? Many of my constituents lost tens of thousands of pounds as a result. Sadly, the same probably happened in the hon. Gentleman's constituency and in the constituencies of other colleagues.

Mr. Crabb: The hon. Gentleman is right. Some troubling questions remain to be answered about Dairy Farmers of Britain, although it is important to say that the company is not entirely reflective of farming co-operatives and that we should keep faith with co-operatives, which are one vehicle for farmers to achieve a greater return on their product. The Environment, Food and Rural Affairs Committee is carrying out an investigation into what happened at Dairy Farmers of Britain, and some unanswered questions will need to be addressed.

My constituency has witnessed the outstanding success story of Laurence Harries, who farms near Cilgerran in the north of my constituency. His award-winning Daioni brand of flavoured organic milk drinks is appearing all

over the UK and internationally. As I am sure you are aware, Dr. McCrea, Daioni is the Welsh word for goodness. Laurence Harries says that a few years ago he

"set up with a single tanker, a couple of lorries and a lot of wishful thinking".

Last year, he secured a deal to supply the academy and youth teams at Chelsea football club with Daioni milk drinks. He also supplies the Welsh rugby union. A year ago, I was on a Eurostar trip to Paris as part of a Conservative joint working group meeting with French parliamentarians from the Union for a Popular Movement, and the milk that we were served was Daioni organic milk from my constituency. Although it is a high-value, niche brand, it is an example of what can be achieved when good farming skills and excellent business acumen are combined. However, even Laurence Harries would admit that he is exceptional. For the larger number of milk producers in my constituency who supply the generic liquid milk market, the last few years have not been happy.

The dairy sector constitutes 18 per cent. of the agriculture industry in the UK and more than 30 per cent. of agricultural production in Wales. However, the falling number of dairy farmers and the decline in milk production are continuing across Wales and the UK, with a growing concentration of milk production in particular geographical areas. I have seen figures that suggest that the number of UK dairy farmers has halved since 1997, and the Welsh Assembly Government have estimated that 26 farmers leave the dairy industry on average every week. One in 10 farmers say that they will leave the industry within two years. Over the past five years in Wales, the number of producers has fallen by a third.

We are therefore seeing falling numbers of farmers, accompanied by falling numbers of dairy cattle, falling milk production and the closure of processing plants. UK milk production has fallen by 8 per cent. since 1997 and is now at its lowest level for more than 30 years, although Dairy UK, the trade body representing the dairy processing sector, takes an upbeat view and believes that production has now stabilised and may even be creeping up again.

Wales has seen a 7 per cent. fall in cattle numbers in the past five years, and more than 900 redundancies have been announced in the Welsh milk processing sector, resulting in major changes to regional processing capabilities. In his response, I am sure that the Minister will maintain that milk production volumes have remained broadly static in the past 10 years, but as far as I can see the trend has been downwards. I would therefore welcome his comments about where we stand on dairy imports and about what the trend is, particularly in the context of national food security.

David Simpson: There is a school of thought in the industry that believes that one way forward would be completely to remove subsidies to allow the market to deal with the issue by creating a level playing field across the whole of Europe and the UK. What is the hon. Gentleman's view?

Mr. Crabb: Most of the farmers I speak to in my constituency say that, ideally, they would not want to be in the game of receiving subsidies; they want to compete in the marketplace and to be business people first and foremost, and that means receiving a fair price for their product. They want to receive a price that fairly reflects the economic value of their produce, but that is not happening. I am wary of saying that we should move quickly to remove all support for farmers, which would leave them desperately exposed in a difficult, volatile market, and we need to tread carefully. However, I reiterate that most of the farmers I speak to want to be business men first and foremost, not recipients of subsidies.

Mr. Letwin: That touches on the vital question of decoupling subsidies from production in other EU countries. Does my hon. Friend agree that it is an urgent necessity that the Government put pressure on other EU countries to achieve that decoupling?

Mr. Crabb: Yes. My right hon. Friend makes his point very effectively.

There can be little doubt that the fluctuating price of liquid milk and the increasing cost of milk production have contributed significantly to the lack of confidence in the dairy industry in recent years. We have seen milk prices move from a low in 2006, when the average dairy farmer was estimated to be losing almost 5p per litre, to a high in 2008, when prices soared by up to 40 per cent. However, in the last year, as I said, the price has fallen back dramatically. Today, the price paid for milk is once again falling below the cost of production for many farmers. At the same time, production costs have increased by 27 per cent. since 2006, undermining much of the confidence that the industry regained in 2007 as prices increased.

The think tank Open Europe has stated that the cost to farmers of UK regulation has more than tripled since the Department for Environment, Food and Rural Affairs was created in 2001. I would welcome the Minister's response to that point and his comments on how he sees the future of farm regulation and what can be done to minimise the additional production costs that farmers face as a result of regulation.

It is clear that this is not an isolated trend in the UK, and dairy farmers across Europe have faced challenging conditions. I spent part of last summer on a dairy farm in northern France, and the farmer and his family described a situation very similar to the one experienced by farmers in the UK. However, one difference in the French situation is that French agriculture receives huge political support across the board. No one can be a serious politician in France unless they are willing to stand time after time and speak up for French agriculture. Although hon. Members are well represented here, those present largely have significant dairy interests in their constituencies, and we need far more colleagues to speak up for farming who do not have dairy farms in their constituencies, but who nevertheless recognise the importance of dairy farming to the UK.

In answer to parliamentary questions over the past year, the Secretary of State has reiterated his opinion that the UK dairy industry is in a much better position than most of its European competitors. However, the Farmers Union of Wales has suggested to me that if it were not for the current exchange rate, farm-gate prices would be likely to be about 30 per cent. lower. Does the Minister therefore accept that the industry's saving grace this year has been the weakness of sterling, rather than a fundamental strengthening of the sector? I would also welcome his comments on what needs to be done to

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ensure that UK dairy farmers can weather the storms created by volatile milk prices but still plan and undertake long-term capital investments so that they can stay competitive.

Bovine tuberculosis is another area on which there has been a frustrating lack of progress in recent years. I have met farmers in my constituency whose cattle herds have been decimated by the disease. Indeed, two years ago I spent a Sunday with one of Pembrokeshire's leading dairy farmers, whose farm had just been hit by it. It was moving to see a strong man brought almost to tears by the decimation of his stock. It is not like losing a faulty batch of widgets on a production line. Farmers invest their lives in raising those animals, and they love them. When they must see a herd go off to be slaughtered, it is a moving and difficult thing. I recognise that that area of agriculture policy is devolved in Wales, and I take my hat off to the Welsh Assembly for taking some bold decisions in moving ahead with an eradication programme that includes a careful element of active wildlife management.

I have put the question before to Ministers, and ask it again today: why, given that the scientific evidence base on which Welsh Assembly Ministers operate is identical to the one available to DEFRA, do English Ministers still refuse to recognise a role for a targeted cull as part of the plan? The Welsh Assembly has the same evidence and is moving ahead. There is a pilot programme in my constituency.

Mark Pritchard (The Wrekin) (Con): I apologise, Dr. McCrea, for my late arrival. This is an important debate and my hon. Friend touches on a vital point, particularly for border counties such as Shropshire. Many farmers in the county are landowners on both English and Welsh sides of the border. It is puzzling and frustrating when there are advancements on the Welsh side of the border on the vital issue of TB, and not on the English side. We need progress quickly.

Mr. Crabb: I give way to the Minister.

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): I shall say more about TB and do not want to take up the hon. Gentleman's time, but in response to that point I must say that the science is not conclusive that culling will eradicate TB. The Secretary of State made his decision on the basis of the scientific evidence. The eradication group that he has set up does not dismiss culling as a tool in the box, which might be used, but the evidence suggests that just culling creates a vacuum and draws the infection in, and does not eliminate it.

Mr. Crabb: I am grateful for that and look forward with interest to the Minister's reply to the debate; but the Welsh Assembly does not believe that it is all about culling. No one argues that. Culling is part of a comprehensive strategy and the Assembly is proceeding in a careful and targeted way. I am not known for often praising the Assembly, but I salute it in this instance.

Dan Rogerson (North Cornwall) (LD): I pay tribute to the hon. Gentleman for securing the debate and for his work on behalf of the dairy industry. The evidence to which he has referred is evolving, and is it not true that the so-called perturbation effect that was predicted has not been demonstrated, as areas where the experiments were carried out have continued to be monitored? The effect has not materialised as was envisaged.

Mr. Crabb: That is a useful and helpful intervention.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): To back up my hon. Friend, with reference to what the Minister said, the Ministry of Agriculture in France recently issued a statement that the reason bovine TB has practically been eradicated in France is the part culling of badgers.

Mr. Crabb: That is also a useful intervention.

Sir David King, the former chief scientific adviser, was quoted in the *Farmers Guardian* last week as saying that DEFRA's refusal to tackle the badger population was a "source of great exasperation". He went on to suggest that the TB epidemic could put an end to dairy farming unless the Government considered a cull of infected badgers. As I said, the Welsh Assembly is at last moving ahead with a programme that includes an element of active wildlife management. It is being piloted in the north part of my constituency and is a brave move.

One of the new emerging challenges for the Secretary of State is unquestionably what I regard as the unbalanced and distorted healthy food agenda being promoted from some quarters, which seeks to demonise dairy products. I am thinking principally of that increasingly powerful arm of Government, the Food Standards Agency. There was a time when I thought that the job of the FSA was to help to ensure that the hygiene and safety practices in the production and sale of food were of a sufficient standard to avoid the risk of illness or worse, but I see from its recent press releases, and from its website this morning, that it sees one of its main jobs as warning people away from dairy products, as part of its campaign against saturated fat. The website names those products: cheese, cream and ice cream. I see from a press release of the past few days that it wants us to abandon full fat milk. Frankly, many of my constituents do not want their taxes to be used to fund that kind of nonsense. Obesity in Britain is not caused by eating dairy products. In Westminster Hall this morning you can see, Dr. McCrea, a group of some of the healthiest parliamentarians. I see marathon runners, rugby players and fell runners: an incredibly healthy group. It is no accident that they are also some of the proudest and fiercest advocates and defenders of dairy products, the eating of which is part of a healthy lifestyle.

The dairy sector is being made a scapegoat by the Government because of their rank failure to tackle the more profound drivers of obesity in this country: the British obsession with getting drunk; the collapse of sport in schools; the end of cookery in schools, driven by the health and safety madness that has affected a generation of young people; and the proliferation of poorly regulated low quality fast food outlets in many town centres. I do not mean McDonald's, which has been good news for farmers in recent years, but the proliferation of low quality cheap fast food. Will the Minister join me in condemning the Food Standards Agency's misguided approach to dairy products? Does he agree that the Government must not give mixed signals to the dairy sector, sending Ministers to farming

conferences one day, to speak up the British dairy sector, and channelling money to anti-dairy campaigns the next? Will he join my call for more sense from the Food Standards Agency?

I could say more about lack of investment in the sector, driven by a lack of confidence and certainty about the future, but I want to bring my remarks to a close to enable other hon. Members to contribute. I am sure that some of them will talk in more detail about the ombudsman. I support the creation of an ombudsman. The supply chain has been characterised by accusations and mutual mistrust, and we need somehow to get beyond that. There needs to be recognition of a partnership between farmer, processor and retailer, with common sense in the relationship. My hope is that the ombudsman will have enough powers and clear guidance to make that happen. However, I want to say a word of caution about what the ombudsman can achieve. I have talked to some farmers who believe that the ombudsman can somehow radically change the price they get for milk, and I think that view may be naive. Unless the Minister can correct me, I do not understand that it would be the job of the ombudsman to fix prices. I should welcome the Minister's remarks on how he sees the ombudsman's role in the dairy sector and with respect to milk prices.

I am grateful to have had this opportunity to raise concerns affecting the dairy sector in the UK and in particular my constituency. I am conscious that perhaps I have not covered all the issues, and optimistic that other hon. Members will fill in the gaps. I look forward to the Minister's giving us good news and reasons to be optimistic about the dairy sector in the years ahead.

Dr. William McCrea (in the Chair): Several hon. Members want to speak in the debate and I shall try to allow as many as possible to do so, but discipline will be in the hands of hon. Members.

9.58 am

Mr. David Drew (Stroud) (Lab/Co-op): I shall be as brief as I can, Dr. McCrea, partly because so many hon. Members want to speak, and also because I must leave slightly before the end of the debate, as I have an important meeting about flooding to attend.

I congratulate the hon. Member for Preseli Pembrokeshire (Mr. Crabb). I do not agree entirely with all that he said—I shall explain why—but it is right to discuss dairy farming. I have taken an interest in dairy farming and the dairy industry for a long time, not least because the Severnside processing plant chimney is at the bottom of my garden; I cannot but be influenced by that important industry.

I want to make four quick points. First, I make a plea to my hon. Friend the Minister about what is happening in Gloucestershire at the moment, which is the epitome of some of the industry's problems. The county farm estate is actively debating the conflation of its dairy holdings from well over 20 to 11. In a previous life, I chaired the county farm estate's smallholdings group on the county council, and I have always been a great upholder of the belief that dairy farming is an important sector, as it allows people to start in agriculture who could not do so in any other way. It would be a tragedy to use the current problems as an opportunity to increase the size of holdings, as younger people would never be able to get into dairy farming. I hope that my hon. Friend the Minister will look, as a matter of urgency, at what is happening in Gloucestershire.

I have had two debates on the subject, as I have always upheld the importance of the county estate nationally, but this is another side of the debate. I totally oppose selling off what I think of as the county's family silver, but I also worry that we might shut out dairy farming in what, after all, are the country's milk fields. That needs to be considered. I hope that the Government have a view on the matter. They may say that it is up to local government, but we need the Government to take a strategic view.

My second point is about something that was mentioned by the hon. Member for Preseli Pembrokeshire—the common agricultural policy and how its reform might affect dairy farming. I have been a complete long-term critic of the CAP. I think that it has done more damage to the dairy industry than to any other sector of industry. Milk quotas should have been removed a long time ago. They are a huge disincentive in this country, and there is no excuse for them.

The problem with CAP is that a one-size-fits-all strategy does not work. We should be expanding our dairy industry rather than having to go cap in hand to Europe—forgive the pun—to try to maintain the current situation. The latter is not acceptable. It is about time that we were allowed to pull out of the CAP, if nothing else, because we need to rebuild our dairy industry.

My third point is about bovine TB—something on which we will disagree. The debate is so sterile. Yes, I have read the independent science group report, but to me the science is clear. Culling does not work. It is counter-productive. So I turn to what we are doing in my area and the vaccination strategy. The Select Committee on Environment, Food and Rural Affairs debated the matter long and hard.

I congratulate the Government, but I wish they would move more quickly. In every other area of animal disease, we are trying to find a vaccination strategy, yet with bovine TB, we go back to the old argument that if we cull one species that carries bovine TB, even though many others carry it, it will be a magic bullet. There is no magic bullet. It is a dreadful disease. I met someone from the farmers' stress network yesterday, and I know what damage it does to people's lives. It is a really awful disease, and we must get hold of it.

Dan Rogerson: As a fellow member of the Select Committee, I remember those debates. I also recall that our report recommended that culling might be an effective tool. The evidential picture is evolving. I know that the hon. Gentleman cares a great deal about the industry, but does he agree that we ought to keep an open mind on these things, perhaps allowing culling to take place in some areas? It could make a huge contribution.

Mr. Drew: I accept what the hon. Gentleman says. However, I agreed to the report with gritted teeth; people know that I am a great compromiser, and I believed it important to have consensus.

The biggest problem is that we might give people the illusion that culling will work; if so, we will let them down. We must be honest. It is not going to work. There will be legal challenges in Wales, and it will take years to

[Mr. Drew]

clear that out of the way. In any case, only a small part of Wales is experimenting with culling. We should not fool ourselves. The idea that it will be imposed on Shropshire, as the hon. Member for Preseli Pembrokeshire suggested, is an illusion. Let us be honest, and get on with finding a solution in the vaccination strategy. We should not go along cul-de-sacs that have been tried before and did not work.

I shall be careful how I phrase my last point, because the Select Committee is considering Dairy Farmers of Britain. It was wrong to see the failing of that organisation being attributed to its structure, its co-operative nature. Mistakes were made in its management, but its biggest mistake was to try to compete in the liquid market with the wrong production structure. If it had specialised, it would probably have had a greater chance of getting through its deep-seated capital problems.

I welcome the ombudsman, who was mentioned earlier. I pay tribute to the hon. Member for St. Ives (Andrew George), who has driven the idea relentlessly, with some help from my hon. Friend the Member for Chorley (Mr. Hoyle), myself and others. I pay credit to that campaign. The dairy industry has done badly because supermarkets, in particular, have used milk as a loss leader, playing all sorts of games with processors and especially with farmers.

Mr. Hoyle: Because of my hon. Friend's knowledge, I invite him to comment on two quick points. The other thing that dairy farming needs is agricultural shows. What more can be done? Will the Government support them, to ensure that we get the Royal Lancs show back? It is a great way of ensuring that the public understand farming, particularly dairy farming.

My second query is about the spraying of nitrates and slurry. Should there be more flexibility to ensure that farmers have more time to do so?

Mr. Drew: On the second point, my hon. Friend is talking about another mad EU regulation, but no one takes a blind bit of notice of it. On the first point, I agree with him entirely. I am in favour of shows. It is important that farmers should have the opportunity to show off the good things that they do. The problem nowadays is that few farmers go to shows because they are too busy. They face too many constraints, not the least of which is that their income is insufficient for them to spend time there.

We should support the ombudsman. A previous report found that one problem was the poisonous atmosphere in the dairy industry. It is the most difficult industry, as everybody distrusts everyone else. The different levels distrust each other; it is not competition within the segments of the sector, but a real dislike of some of the things that are going on.

I say to the Government that this country needs a clear strategy for dairy farming. There is no excuse for avoiding that. I would like to see the industry completely outside Europe, because the CAP has done immense damage. A strategy has to be brought forward to rebuild some of the relationships. I would like to see more co-operation; indeed, it was wrong to say that its co-operative structure caused problems for Dairy Farmers of Britain. If we can get on with that, we will have served our purpose and done what we should be doing. Our purpose is not simply to maintain that important sector but to build it for the future. That is what we need to see.

10.7 am

Mark Williams (Ceredigion) (LD): It is a pleasure to serve under your chairmanship, Dr. McCrea. I pay tribute to my constituency neighbour, the hon. Member for Preseli Pembrokeshire (Mr. Crabb), for securing this debate. The hon. Gentleman, the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) and I have raised these issues on numerous occasions, and have ensured that, for the past five years, we have had an annual debate on agriculture in this Chamber.

As the hon. Member for Preseli Pembrokeshire said, some aspects of dairy farming are devolved. I shall endeavour to delve into the devolved settlement, but I want to focus on producers, suppliers and retailers and the relationship between them. That is the fundamental problem that our dairy industry faces.

I hesitate to use the word "crisis" as it is emotive, but figures on the long-term position of dairy farming in Wales show that it is in serious decline. In 1994, there were 5,300 dairy farmers. The number had fallen to 3,600 by 2004, and figures for December 2009 show that it has now fallen to 2,059. Those figures show that 60 per cent. of Welsh dairy farmers have left farming over the past 15 years, something that I think is reflected in England.

There was an important geographic message from the hon. Member for Preseli Pembrokeshire. He does not like the word "Dyfed". Neither do I; it is an old county term that describes our area. However, I will use it now because half of the dairy farmers of Wales are from Dyfed—from my constituency of Ceredigion, and from Carmarthenshire and Pembrokeshire.

We can wax lyrical about the social implications of the loss of the dairy sector, but it is a reality. We are talking not about isolated farms appended to big towns but about large areas of the rural economy being dependent on farmers and farming families. Losing those farms and those families has implications well beyond the production of milk. It affects village schools and the local economy more generally.

I concur with what the hon. Member for Stroud (Mr. Drew) said about county starter farms and encouraging young entrants into the industry. We lost our farms in Ceredigion a long time ago. One of the dispiriting things about making farm visits and meeting the two farming unions in Wales is the constant repetition of questions. Five years ago, questions were asked about young farmers and how to attract people into the industry, and we are still facing the same problems. I have had some emotive discussions with farmers who want to pass on their farms to their children, but find that their children drift away and move into other areas, because there is perceived to be no future in the industry. At the end of the farming hustings in Ceridigion, we always ask the question, "If you had a child, would you encourage them to stay in the farming industry?" Many say, "In all honesty, with hand on heart, we could never make that recommendation given the state of the industry."

There have been some glimmers. I congratulate the Minister on ensuring that Wales has received a fair distribution of the £25 million EU rescue package,

which, as far as I can tell, was calculated on the proportion of dairy cattle rather than on the Barnett formula, and I pay tribute to the Assembly Government for their role in that. I share a constituency with the Minister who has responsibility for rural affairs, and I pay tribute to her for the work that she has done. However, I should like some clarification on future emergency spending. If we need such spending again—I hope that we do not—will it be allocated according to relative need rather than population?

Jim Fitzpatrick: We are currently consulting on how to distribute the €29.26 million, which is the UK's share. I am sure that the hon. Gentleman has already made a submission, but if he has not, he may want to reinforce that.

Mark Williams: I thank the Minister for that. I am also taking consultation from the Welsh Assembly Government. There is sensitivity about the matter. During the foot and mouth scare in 2007, there was concern from the devolved Administrations about the extent to which DEFRA funding came to Scotland and Wales.

I am pleased that the Government have finally agreed to a supermarket ombudsman. I appreciate that such a matter is not directly within the Minister's portfolio, but it is crucial to the farming sector.

Mr. Alan Reid (Argyll and Bute) (LD): I agree with my hon. Friend that the ombudsman is vital. Does he not think that the Government should give powers to the ombudsman so that they can be proactive in carrying out investigations? It is no good just waiting for complaints to come in. Many people in the sector are concerned that if they make a complaint, their products could be boycotted, so it is important that the ombudsman has strong proactive powers.

Mark Williams: I thank my hon. Friend for raising that matter. The hon. Member for Preseli Pembrokeshire made a fair point when he said that the ombudsman will not be the solution to all problems, but expectations are high. If this is to be an ombudsman without teeth, it will be costly lip service and will fail at the first hurdle.

We have a job of communication to do with our constituents. When Mr. and Mrs. Average go into a supermarket and purchase their milk for a couple of days, only a tiny share of that milk price actually finds its way to the producers. Prices may have gone up a bit, but they have still been low over the past couple of years. They have gone up from 18p a litre to 23p. People do not understand—the farmers understand—why a greater share of the price is not finding its way back to the farmer. This is about not just the supermarkets and the monopolistic control that they exercise, but the relationship with the processors, which needs to be considered as well. NFU Scotland says that there has been evidence of some upward movement on prices paid by processors, but given the increased profits of the likes of Wiseman's, Arla and Dairy Crest, it is disappointing that the rise has not been steeper. Figures from DairyCo show that, between February and October last year, the price of bulk cream rose from £750 a tonne to £1,700. It has slipped back now to £1,130. There is still a feeling that not enough of that money is finding its way back to the producers.

The purchasing power of supermarkets is a fundamental concern. Again, I welcome the announcement that the ombudsman issue is to move forward. Some supermarkets treat farmers more fairly than others and they should be rewarded for their support by not allowing others to cut corners, thereby restricting the ability of producers to make a living.

Some contracts are linked to production costs. Those are welcome and contribute to keeping farmers in business, but much more needs to be done. One of the first jobs of the ombudsman is to establish whether the price of milk has been kept artificially low, which is what we suspect.

Mr. Crabb: Does the hon. Gentleman agree that the dedicated milk contracts that all the major retailers have are, by and large, a positive thing? They have not led to an across-the-board increase in farm-gate prices, as some of us had hoped, but they are good for the farmers. What would be positive now is for those dedicated contracts to expand into the cheese markets, so that we have dedicated cheese contracts as well. That would help many other farmers.

Mark Williams: I agree. As the hon. Gentleman said, it is the scale of those contracts rather than the principle itself. He mentioned dedicated contracts in the cheese industry. We have present not only the chair of the all-party group on dairy farmers, but the chair of the all-party group on cheese, my hon. Friend the Member for North Cornwall (Dan Rogerson), who has done a lot of work on promoting the cheese sector. Pembrokeshire, like Ceridigion, has many cheese producers who need support. It is in that spirit that the regulator is to be welcomed. I am glad that the Government have listened to our concerns. Organisations such as the Farmers' Union of Wales have been talking about a regulator for 10 years or more, and I am glad that it is now happening. I should also pay tribute to the hon. Member for Ynys Môn (Albert Owen) who, as promoter of the Grocery Market Ombudsman Bill, will be pursuing the matter as well. I would welcome assurances from the Minister that the code of practice will be legally binding and that the ombudsman will be given powers to sanction supermarkets when they transgress.

The issue of bovine TB is fundamental and needs to be addressed. It has been partially addressed, and I pay tribute to the Welsh Assembly Government for the brave, but immensely regrettable, decisions that they have taken.

There have been difficulties recently with milk collections and getting milk to processors. The dire weather we have had recently has forced some farmers to throw away their milk. Moreover, there has been concern over Milk Link's decision to ban the use of plastic roadside containers when tankers are unable to reach the farms. That has been a real issue across much of rural Wales. Some disruption was understandable, but surely we should do everything we can to ensure the distribution of milk. Steel storage tanks being required by Milk Link are not affordable for many farmers, who are already operating on very tight margins. They do not have the money to invest in any capital infrastructure.

Lastly, let me turn to the point about healthy food. Like me, the hon. Member for Preseli Pembrokeshire has praised the Assembly Government for what they are

[Mark Williams]

trying to do on the cull. I am sure that he would also like to praise them for the initiative that they took on milk in schools. Reinstigating free milk in schools sends a powerful message to both parents and the sector about support. The Assembly Government may be in a stronger position to pursue that matter, but they have done it and done it well.

The dairy sector is undeniably in a difficult position. None the less, there are a few glimmers of hope out there. Processors have shown that profits can be made in the dairy industry, and we now have a promise of a body that can at least assist in ensuring that those profits are fairly distributed. We now need action to make that a reality, so that the constant stream of people leaving the industry, with all the effects on the rural economy, can be halted.

10.18 am

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I pay tribute to my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) for securing the debate. He is one of the most active members of the all-party group.

When I was first elected in 2005, Mr. Jones, a dairy farmer near Shrewsbury, explained to me the seriousness of the situation facing the dairy sector. It was his lobbying that convinced me to go to see supermarket bosses. In my naivety, I thought that as an elected Member of Parliament I could demand to see the chief executives and haul them into the House of Commons to speak to them. Some of them did send representatives to speak to me and discuss my concerns, but they were very arrogant. They said that they were doing all that they could and that any regulation would be unviable. They tried to do all they could to deter me from pursuing the matter.

That is why I set up the all-party group on dairy farmers. That is the way we do things in the House of Commons: we work together on a cross-party basis to lobby Government on issues that are of importance to us and our constituents. I am very pleased to say that the all-party group on dairy farmers is one of the largest all-party groups in the House of Commons, with more than 120 Members of Parliament. The leader of my party, my right hon. Friend the Member for Witney (Mr. Cameron), is a member of the all-party group and should he be elected to the office of Prime Minister I will ensure that I keep reminding him of the fact that he joined the group. If any hon. Member here today has not joined the all-party group on dairy farmers, I would ask them to see me after the debate, to ensure that they join.

I very much welcome the report from the Conservative party, saying that, if we are elected to office, an ombudsman-regulator will be appointed to regulate the supermarkets. I will hold a Conservative Government to account on this issue and ensure that they make the appointment in a very speedy way. I will also ensure that, as the hon. Member for Ceredigion (Mark Williams) has suggested, the ombudsman-regulator has proper teeth and specific guidelines, so that they can help dairy farmers in their discussions and negotiations with these all-powerful supermarkets.

The all-party group on dairy farmers issued a report in the autumn of 2006 and we presented it to the then Secretary of State for Environment, Food and Rural Affairs, who is now the Secretary of State for Foreign and Commonwealth Affairs, and to the then shadow Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for East Surrey (Mr. Ainsworth). The main thrust of that report was to seek to have a regulator or ombudsman for supermarkets. Our group has been pushing for that appointment for the past three years. Initially, I was told, "Impossible. You're never going to get a regulator for supermarkets. It's totally unrealistic, a pipe dream. Just forget about it." So it just shows that if someone perseveres, feels passionately about an issue, never accepts a no and keeps plugging away, ultimately—hopefully—success will come.

The all-party group on dairy farmers visited the European Parliament on a cross-party basis to meet the European Commissioner for Agriculture and Rural Development, Mrs. Fischer Boel. She said that she felt that part of the problem was that we had too many milk processors in the United Kingdom. She also said that a certain amount of consolidation within the United Kingdom market would not be a bad thing. I would like the Minister to note that she said that the European Union would not interfere if there were certain consolidation in the dairy sector. In her own country, Denmark, Arla has 80 per cent. of the milk processing. She said that that was one of the most important factors in Denmark; the strength of Arla in its discussions and negotiations with supermarkets. Therefore, that is something that I would like to promote.

My hon. Friend the Member for Preseli Pembrokeshire and others have spoken about bovine tuberculosis. Bovine TB is absolutely devastating in Shropshire and it has increased at a massive rate in the past few years. My hon. Friend talked about the emotion of this issue and that struck a chord with me. I have sat with some of the farmers in my constituency. I will mention one, Mr. Chris Bulmer of Snailbeach. We basically sat together at his kitchen table, having tea, and I have to say that we both got rather emotional about the issue of bovine TB. I am not prone to being overtly emotional with constituents, but this was an extremely emotional matter. People such as Mr. Bulmer live for their farms and their animals, and when they see the extraordinary suffering and wanton slaughter of their animals that has to go on, it is very upsetting.

One of the most difficult things that I have had to do in my constituency is speaking to the Shropshire Wildlife Trust, addressing 500 of its members. The first question to me was, "Well, Mr. Kawczynski you horrible chap, why do you want to kill all those lovely badgers?" Of course, the emblem of the Wildlife Trust movement is a badger and so passionate are the members of the Shropshire Wildlife Trust about badgers that they have even taken my wife and me to look at a badger sett in my constituency. They gave my daughter a cuddly badger soft toy, which I think was a bribe to encourage us to think nicely of badgers. The problem is that, although we all like badgers, badgers themselves suffer terribly as a result of this disease.

I have to say that the next Conservative Government must tackle this issue of badgers and I expect to see a limited cull of badgers, should a Conservative Government be elected to office. I make no bones about saying that.

because I am absolutely convinced that culling must be part of the process of controlling badgers, no matter how controversial it is.

I just want to talk very briefly about the Rural Payments Agency. I must say that I am still trying to sort out problems with the RPA on behalf of various constituents. Some dairy farmers are still grappling with this issue, on top of bovine TB and the low prices they receive for their milk. I will mention to the Minister one of my constituents, Mr. Hamer of Longden, who is still having terrible problems with RPA payments and I very much hope that he can help Mr. Hamer with those problems.

Lastly, the all-party group on dairy farmers will be meeting shortly. Among those coming are representatives of the Farmers' Union of Wales, the Dairy Farmers of Scotland and the Royal Association of British Dairy Farmers. I must say that sometimes when we have these meetings, not enough Members of Parliament attend, because of their other commitments. So I will be sending every MP who has attended this debate notification of the next meeting of the all-party group on dairy farmers. As I have said, we have a lot of representatives of different farming organisations coming and I would be grateful if Members of Parliament who are here today attended the next meeting of the all-party group.

Dr. William McCrea (in the Chair): I will be commencing with the speeches from the Front-Bench spokesmen at approximately 10.30 am, but I want to call Roger Williams before then.

10.26 am

Mr. Roger Williams (Brecon and Radnorshire) (LD): Thank you, Dr. McCrea. I will try to be brief.

Much has already been said about the plight of dairy farmers. Indeed, in my own constituency, I think that we are down to fewer than 10 dairy farmers at the moment and that is in the biggest agricultural constituency in England and Wales. So we have suffered. However, one of the remaining herds in my constituency has 350 cows, showing the way that the industry has gone.

With all the farmers who have gone out of the industry, we are left with a small number of farmers, but they must be the most efficient farmers in the whole farming industry. Even so, they are struggling to survive with these milk prices. Therefore, we get some idea of the consequences of low commodity prices.

However, we should not be surprised about these difficulties. The point that I will make, which I do not think has been made by any other hon. Member, is that when we went into the single farm payment scheme it was on the basis that we would be competing not only within Europe but within the world on a commodity basis. The single farm payment was to compensate farmers for a drop in commodity prices. Not much liquid milk is traded, but huge amounts of dairy products, including generic cheddar cheese, are traded throughout the world. That has been the problem that has pulled down milk prices in Britain. We should consider the fact that milk production in Britain has only fallen from 13 billion litres to 12 billion litres, despite the number of people who have gone out of the dairy industry.

Of course, the reason that commodity prices have fallen is that we are doing away with intervention buying, which kept up prices within the European Union, we are doing away with import tariffs, which discouraged cheaper imports from being brought into the country, and we are doing away with export subsidies, which allowed surplus product in this country to be exported and dumped on the world market. So it is not surprising, in a way, that we have lower commodity prices.

Many important issues have been raised, such as the ombudsman, TB and various other issues. However, the really important question is this: what will the common agricultural policy look like in 2013? I do not think that anyone has really addressed that issue.

We know what the CAP should look like; it should give a commercial return to farmers and a guaranteed supply of products at reasonable prices to consumers. However, what does it look like in detail and in principle? The National Farmers Union has given us some indication. It has said that the future CAP, with regard to milk and other products, should be:

"a simple policy…market-oriented…geared towards competitiveness".

The final indication of what the CAP should look like—but not what it will actually be like—is that the NFU says it should be:

"fundamentally a common and an agricultural policy, predicated on a firm belief that the above aims are best achieved through a common policy framework with EU rather than national funding."

The NFU recommends no co-financing or co-funding but a straightforward common agricultural policy.

In the last 30 seconds available to me, I must say that the experience of the dairy industry, and indeed of some of the arable sector at the moment, is that with great dips in commodity prices, the farming community and industry still need direct payments. Yes, some payments are pillar 2 and fund public goods, but if we are to have a vibrant agricultural industry in this country, direct payments such as the single farm payment will be necessary if we are to survive in a cut-throat global competition for commodities.

10.30 am

Tim Farron (Westmorland and Lonsdale) (LD): It is a great pleasure to serve under your chairmanship, Dr. McCrea. I pay tribute to the hon. Member for Preseli Pembrokeshire (Mr. Crabb) for securing this debate and starting it off so admirably, and for his commitment to the sector, not just in his own constituency but across the country. My hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) said more in four minutes than many of us are capable of saying in 40. If I just endorse everything that he said, I can knock about five minutes off my speech in order to allow others more time to wind up.

I was at the Castle Green hotel in Kendal two weekends ago for the Cumbria Young Farmers annual general meeting and jamboree. It was a wonderful evening and a great opportunity. I listened to all the speeches made and sat there with my notebook writing down all the jokes—as a Liberal Democrat, I am a keen recycler, and that extends to my speeches and jokes as well—but at some point during the evening, I realised that there was absolutely no context in which I would ever be able to use one of the jokes and get away with it.

Apart from having an entertaining and slightly off-colour sense of humour, the young farmers, a good proportion of whom were dairy farmers, demonstrated to me that however difficult and challenging life in the dairy sector

[Tim Farron]

has been and continues to be, there is nevertheless immense room for optimism. A new generation of young people are set to become the backbone of a dynamic, competitive and innovative dairy industry. However, the system is not making it easy for them. There is a huge risk that young dairy farmers' ambition, work ethic and talent will be stifled.

As we have heard from many hon. Members, these are immensely difficult times for dairy farmers. Since 1997, the number of dairy holdings has decreased by 50 per cent. and the number of dairy farmers by 35 per cent. In the past three years alone, liquid milk production has dropped by 7 per cent. That is 1 billion litres of lost production. Production levels in this country are at their lowest since the 1970s, despite the fact that the UK population is now 15 per cent. higher and demand is rising. We are losing milk production capacity because farmers are leaving the industry. Some go to the wall; some slip quietly into other work; many wait for retirement. As my hon. Friends have said, they will retire having actively encouraged their children to do anything but follow them.

Supply is tightening, yet the prices paid to farmers are pitiful. The estimated cost to the farmer of producing 1 litre of milk in October last year was 26p, and the average farm-gate price for liquid milk was 24p. The average farmer is making a loss on every litre produced. That is the average, but hundreds of dairy farmers, including dozens in my constituency, get less than 20p a litre. Many of us wander down one aisle in the supermarket and make ourselves feel good by buying fair trade coffee, but in the next aisle we buy milk that might be sourced locally but is anything but fairly traded.

The factors behind the decline in production capacity are complex; we have heard about many of them. Even over-production is blamed, but that is an insult to the intelligence of dairy farmers. Production in this country is declining and demand is rising. To prove a point, to compensate for the steady loss of UK producers, imports of liquid drinking milk rose from 87.7 million litres in 2007 to 134.1 million litres in 2008. There is no question of UK producers over-producing; in fact, they are under-producing.

Mr. William Cash (Stone) (Con): The hon. Gentleman and I took part in a debate initiated by the European Scrutiny Committee only a couple of days ago. Does he agree that the importance of reviving the whole dairy industry in the context of European legislation is essential and that we should ensure that dairy farmers in this country are not only protected but given an opportunity to engage in new milk contracts, as proposed by a series of Ministers?

Tim Farron: The hon. Gentleman makes an important point. Undoubtedly, we need to protect our dairy farmers from unfairness in the market. I do not think that any dairy farmer wants a protectionist system, and I endorse the comments made by my hon. Friend the Member for Brecon and Radnorshire about reforming the common agricultural policy in that respect.

Last summer, the EU Agriculture Committee issued a report showing that farm-gate prices for a litre of milk had dropped 31 per cent. while the shelf price of milk had dropped by only 2 per cent. We also know that in the past decade, supermarket mark-ups—the proportion of the price of a litre of milk that goes into the supermarkets' pocket—have tripled. In consequence, farmers are leaving the industry.

One would think that the free market would not allow a situation in which buyers kill off their own suppliers or reduce their ability to reinvest in greater efficiency and productivity. To quote John Maynard Keynes,

> "Markets can remain illogical far longer than you can stay solvent."

That has clearly been borne out within the dairy industry. In any case, an unfettered market is not a free market.

Dairy farmers are effectively forced to accept the prices that they are offered. Supermarkets' and processors' ability to abuse their market power legally must be curtailed. That is why we endorse the setting up of a supermarket ombudsman. I pay tribute to my hon. Friend the Member for St. Ives (Andrew George) for leading on that issue for many years. We as a party championed it for a long time while being ridiculed by others, but it is good news that those others have come on board.

It is important that the supermarket ombudsman should, as my hon. Friend the Member for Argyll and Bute (Mr. Reid) said, be powerful and proactive, not supine and reactive. Hon. Members will know all about ombudsmen and will have had many reasons to make use of them on their constituents' behalf. Ombudsmen tend to be able only to react to complaints, to investigate only one tenth of complaints and to find in favour of the citizen in only one third of cases. That is not a model likely to strike fear or even respect into the hearts of the supermarkets.

We support a powerful supermarket regulator based on a model similar to Ofcom, with proactive investigative and enforcement powers, a remit to go out and look for trouble and the ability to stand up forcefully to those who abuse market power, with appropriate sanctions at its fingertips. Anything less might be counter-productive by providing supermarkets with the necessary political cover to continue exploiting dairy farmers and other producers.

Such exploitation was seen in its rawest and most appalling form after the tragic collapse of Dairy Farmers of Britain in May. Afterwards, some members of the co-operative were forced to accept as little as 10p a litre from buyers who simply took advantage. We have heard of the devastating losses involved. In my constituency, the average farmer lost £20,000 from their May milk cheque and perhaps £50,000 on their investment within the co-operative. The effects of that tragedy are still being felt and have caused unbearable financial and emotional strain among friends of mine who were struggling to get by even before the collapse.

We are pleased by the £25 million in emergency support from the European Union. We lobbied for it from the beginning, whereas the Government did not. We are concerned that that money should be spent appropriately. For example, some of it could be spent to support the co-operative movement. After the demise of Dairy Farmers of Britain, it would be easy for many farmers to conclude that their best bet is to go it alone. I am sure that all of us would agree that that is the wrong

lesson to learn. The co-operative movement is an important element in providing farmers with the strength to compete powerfully within the marketplace.

In conclusion, abuse of market power is the main challenge to our dairy farming industry, but it is not the only challenge. Unnecessary regulation is also a huge problem. The extension of the European Union's nitrate vulnerable zones directive has caused and threatens to cause immense damage to farmers in general and dairy farmers in particular. That new directive will mean many farmers have to spend around £50,000 on a new slurry tank simply to comply with the measure, with absolutely no benefit to their business. That will be the straw that breaks the camel's back for many farms.

There are more challenges to come. The Government made an announcement this week on cost sharing, and the establishment of an animal disease levy will be cause for alarm for many dairy farmers in Cumbria and across the country. The proposal to charge farmers at a rate of £4.80 per cow to pay for the clean up of disease outbreaks, which in the case of the 2007 foot and mouth crisis was wholly the Government's fault, is unjust and extreme. Such a proposal will help to push even more dairy farmers out of business. We have heard about the Government's failure to tackle bovine TB, and I endorse those remarks. Some 29,000 cattle were slaughtered in England for TB control reasons just last year. Squeamishness over a controlled cull of badgers led to that mass slaughter of cattle, and a failure to deal with that disease is contributing towards making many farms non-viable.

The story of British dairy farming in recent years is one of market failure, and Government failure to tackle market failure, versus the staggeringly impressive resilience of an industry that is determined to succeed against the odds. That battle continues and my money is undoubtedly on dairy farmers to win. I suggest that it is time this House got off the fence and took their side.

10.41 am

Mr. Richard Benyon (Newbury) (Con): It is a great pleasure to serve under your chairmanship, Dr. McCrea. Before I say any more, I refer hon. Members to my entry in the register. Until 14 months ago, I was the only dairy farmer in the House. I left dairy farming for many of the reasons discussed today—not least because of the effects of the nitrates vulnerable zone directive. I also left the industry because I did not invest in my business, for the very good reason that my unit costs of production were greater than the pence per litre I was receiving. That situation is replicated across the country and has led to a dramatic reduction in dairy farmers and the amount of milk we are producing. There is a range of other issues, including food security.

I pay great tribute to my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) for not only securing the debate but speaking passionately about the needs of this important sector of the farming community, which he represents—he has done so in the past and will continue to do so, whichever party is in government. I also pay tribute to hon. Members such as my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski), who have set up the all-party group on dairy farmers. They do great work and hon. Members from all parties who take part in that should feel proud that they have set up something really important.

As I said, since 1997, I have been one of 14,000 dairy farmers who are no longer dairy farmers—if hon. Members can follow that tautology. Since that time, milk production has fallen by more than 1 billion litres and the National Farmers Union has warned that Britain will lose its "critical mass" of milk suppliers. That is important, because when someone has left dairy farming, it is very hard to go back to it. If someone is growing sugar beet and they stop doing so, they can go back to it easily. In areas such as mine—the central south of England—we have lost slaughterhouses, a large amount of veterinary expertise, cattle markets and all the infrastructure that supports mixed farming units. One does not get that infrastructure back. Such a situation makes a dramatic difference to our landscape and our biodiversity. The issues relating to the subject go much further.

I also pay tribute to the hon. Member for Stroud (Mr. Drew), who made an important point about skills. We are losing skills across the farming industry, particularly in stock farming, and we make a great mistake if we do not understand the need to bring young people in and give them a career in a good industry.

According to DairyCo, if the increasing trend in the consumption of dairy products is extrapolated forward, annual consumption in 2030 could be in the region of 16 billion litres, which is some 23 per cent. greater than the current UK production level. The hon. Member for Westmorland and Lonsdale (Tim Farron) makes a good point: to say there is overcapacity in this industry is completely wrong.

The price that dairy farmers receive for their milk has fluctuated between 15p and 28p a litre over the past 13 years, which has led to wide variations in profitability. The UK average farm-gate price has been consistently below the average for the EU15 throughout the past decade, which partly explains why dairy farmers have under-invested in their businesses compared with their European counterparts. In addition to the fall in prices paid to milk producers, during 2009, more than 1,800 dairy producers suffered significant financial losses. We have heard about the effects that the collapse of Dairy Farmers of Britain has had on many constituents of hon. Members in this Chamber.

The NFU estimates that an average supplying member lost in the range of £10,000 to £15,000 as a result of being left without pay for milk collected in May and up to 3 June. As well as low farm-gate prices, dairy farmers have had to manage rising input costs, which has left little spare for investment. As the hon. Member for Westmorland and Lonsdale pointed out, the unit cost of production of 26.5p per litre is significantly higher than the average milk price at the time of 24.5p per litre.

In 2009, DairyCo's farmer intentions survey revealed that only 18 per cent. of dairy farmers intend to increase milk production—down from 35 per cent.—with 13 per cent. intending to exit the industry within the next two years. An increase in production is forecast on some farms, but the reduction in the number of dairy farmers will result in a further fall in milk production next year. With demand for dairy products increasing and domestic supply declining, it is vital that the Government act to put the dairy industry on a secure and sustainable long-term footing.

I suggest to the Minister that there are five steps we need to take to improve the outlook for the dairy industry. I hope that he will have time to deal with them

[Mr. Richard Benyon]

in his remarks. First, we have heard talk of supply chain fairness but, in recent years, the price for raw milk has dropped by 27 per cent. and the consumer price has risen by 11 per cent. Government documents on the dairy market state:

"On the whole, there is little connection between the price paid by the consumer for milk and the price paid to producers".

On Monday, there was a European Committee debate in which my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) asked the Minister a question. I will repeat that question, because it needs a full answer from the Minister. He said

"Can the Minister tell us the Government's view about the relative market share within the UK, vis-à-vis the main processes, and the EU? Many people will find it astonishing that there are co-operative and other organisations in the EU with up to 80 or 90 per cent. of the domestic market, yet in this country, the OFT has frequently over the past decade, forced the break-up or restricted mergers and amalgamations to give equivalent market share."—[*Official Report, European Committee A*, 25 January 2010; c. 9.]

That is a really important matter. My hon. Friend the Member for Shrewsbury and Atcham talked about Arla in Denmark, which has an 80 per cent. share of the market in that country. We broke up Milk Marque when it had only 37 per cent., which has had a detrimental effect on the ability of producers to work together to get a fair deal.

We have heard about a need for proportionate regulation. That is so important. As I said, I have experience of the impact of the nitrates vulnerable zone directive. None of us wants impossible levels of nitrates to be in our water supply, but we know from the Government's figures that the changes imposed by the directive in respect of muck spreading will lead to a 1 per cent. drop in nitrate leaching. That has a massive cost—an impossible cost for some businesses—for the farming community.

We need effective action on disease. Much has been said about TB but, of course, Johne's disease is also having a large impact on production. On TB, the Minister was wrong to say in his intervention that those of us who support a limited cull consider that to be a silver bullet and that is all we talk about; we are talking about a cull as part of a much wider approach. The hon. Member for Stroud talked about vaccination but, frankly, it will be 2014 before an oral Bacillus Calmette Guérin is available. What state will the dairy sector be in in many areas of this country by then? It is vital that the Government grasp the nettle and get a grip of the TB issue.

That point was poignantly made on "Countryfile," which is a programme that sometimes irritates me because it considers the matter through the prism of a rather more urban view. There is a man called Adam on that programme, of Adam's farm, and he showed precisely the frustration, depression and anxiety caused during TB testing.

We need a stronger focus on research and development. When R and D is so fundamental to the immense challenge of increasing food production while conserving our natural resources, it is critical that we get the most from our world-class science base. That will require the Government to do everything they can to help our universities, institutes and scientists to maximise their contribution to strengthening food security, both here and across the world. They need to do that by equipping farmers with the tools necessary to produce more and impact less. Smart solutions must be found to translate research more effectively into practical use at farm level, so that yields and quality in all sectors improve. I do not have time to go into details, but I would very much like to take that point up further with the Minister.

My final point is on honest labelling. We have heard much about that in the debate and we have been talking about it for a long time, so I hope that the Government can come on board and understand the problem. More than 408,000 tonnes of cheese are imported into this country, and imports of cheese have increased by 60 per cent. in the past 10 years. There is real concern among dairy organisations, such as the Royal Association of British Dairy Farmers, that the ability to put dairy products on our shelves without telling the consumer where they come from is not fair on our farmers.

There is much more that I would like to say on the subject, as it is of close to my heart. I can assure hon. Members that if we are in government in a few weeks time we will take the plight of the British dairy farmer to heart.

10.51 am

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): It is a pleasure to see you preside over the debate today, Dr. McCrea. I begin by congratulating the hon. Member for Preseli Pembrokeshire (Mr. Crabb) on securing the debate and on his excellent opening speech. I agree, as clearly many colleagues do, with much of what he said, although not all of it. The only thing that spoilt his speech was his reference to Chelsea FC—I do not know why he wanted to go there, but it was entirely up to him, as it is his debate.

It is clear from the three debates that I have attended in Parliament on the subject within the past week that the future of our dairy industry, and of our food industry more generally, is a prominent issue on the parliamentary agenda, and rightly so. I have listened carefully to the comments raised during the debate. Despite some of the concerns expressed, I believe that the sector can and does have a positive future and that it will play its part as an important and valuable element of the agricultural sector and the food chain, contributing to both the economy, rural areas and the wider environment. I think that the underlying tone of the majority of the contributions made today agrees with that optimism and positivism, despite the concerns that have been raised.

I recognise that the medium-term challenges facing the UK and EU dairy industries are real. I meet with the NFU and other groups regularly to talk through concerns. Yesterday, I attended a meeting with the board of Dairy UK, at which we had a lengthy discussion and I responded to questions on a range of matters. As colleagues will know, I also chair the Dairy Supply Chain Forum, where all the stakeholders play a full part.

We need to take a long, hard look at the dairy sector. It is clear that the substantial sums of money the EU has allocated to dairy farmers in the past year alone are unsustainable. The health check, the economic recovery plan, market management and the dairy fund have

contributed billions of euros to dairy support, but those funds are not the answer to the sector's difficulties, as many colleagues have said. The EU dairy sector needs to be leaner and more competitive to benefit to the full from the opportunities of a globalised market and to withstand its shocks.

We need to help the sector as prices rise to compete without support. With that in mind, we look forward to continued discussions in the high-level group, which was set up by the European Agriculture Council and the European Commission, and to further reform of the common agricultural policy subsequently. The high-level group process offers an opportunity to inform the direction of travel towards further reform, rather than away from it.

I will try to respond to some of the points raised in the debate. The hon. Member for Preseli Pembrokeshire referred to the declining number of UK dairy farmers. It is clear that there is a natural consolidation in numbers. We are moving towards having fewer farmers, as has been clearly outlined, and larger dairy farms, but that is a move towards greater efficiency. The number of UK dairy farmers is falling more slowly than the number of our competitors in Europe, as has been outlined.

The hon. Gentleman also raised the issue of TB, and the Government recognise the seriousness, the disaster and the tragedy that that represents for herds, farmers and farming. There is also an economic impact on the UK taxpayer because of compensation costs. The hon. Members for Shrewsbury and Atcham (Daniel Kawczynski) and for Newbury (Mr. Benyon) referred to the emotional aspect of that problem. I saw the piece on "Countryfile" about Adam's farm and recognise that it is a huge issue. I will come back to that in due course.

The hon. Member for Preseli Pembrokeshire also raised the question of Dairy Farmers of Britain. Clearly, as my hon. Friend the Member for Stroud (Mr. Drew) mentioned, the Environment, Food and Rural Affairs Committee is looking at that and will come forward with its report. It is taking evidence from all those involved, including Ministers.

The hon. Member for Upper Bann (David Simpson), in an intervention, expressed his view on subsidies. The UK strongly supports the end of quotas by 2015, and we lobby hard against market distortions. We lost the argument, and I know that there was some disagreement about the €300 million and whether that was a good or bad thing. We argued against the money being devoted to dairy farming because we thought it would further distort the market and not help the UK dairy industry, although obviously it was supported by the majority of member states at the Agriculture Council. As I said in my intervention, we are consulting on the share-outs of the €29 million allocated to the UK.

With regard to the question that the hon. Member for Preseli Pembrokeshire asked on the burden of EU regulation, our aim is to keep the administrative burdens to a minimum. That is a key part of our negotiations at EU level and considerations during all of our policy development, as I am sure he knows. He mentioned unhealthy diets and remarked that there is a range of causes, from alcohol and a lack of exercise to poor food choices, and I do not disagree. I do disagree, however, with his accusation that the Government are not addressing those problems. We might have different conclusions on what the priorities should be and what emphasis should be given, but the Government are addressing all the issues he raised and will continue to press on that. I am more than happy to endorse the dairy industry and dairy products, and I said the same to Dairy UK yesterday. Indeed, my wife says that I have bread with my butter, rather than the other way round.

The hon. Member for Preseli Pembrokeshire asked about the trends on dairy and milk imports. The UK imports high-value products and exports low-value commodities as a rule, which leads to the distortion, and no one would deny that the exchange rate is having an impact. With regard to the Food Standards Agency, it is clearly DEFRA's role to promote agriculture and dairy, but the FSA has a responsibility to promote a healthy diet and eating well. We do not see those two aims as incompatible. We see dairy as an important element in a balanced, healthy diet, and we make sure that we get that message across as strongly as we can and as frequently as we can.

I will not return to the TB debate, if hon. Members will forgive me, because that matter has been aired well during the debate, and the same is true of Dairy Farmers of Britain. We covered the matter of the ombudsman in a debate last week. The vast majority welcome the advance of the ombudsman. The only Member I have heard speak against it is the hon. Member for Shipley (Philip Davies), who was alone in the Chamber last week on that. That demonstrates that, although there is not unanimity, there is overwhelming support for an ombudsman from all three Front Benches.

The hon. Member for Shrewsbury and Atcham mentioned the size and power of Arla, but we covered that point to an extent in the European Committee, so he will forgive me for not referring to it again. I congratulate him on the establishment of the all-party group on dairy farmers—I hope that that advert increases attendance at the next meeting.

Mr. Benyon *rose—*

Jim Fitzpatrick: The hon. Gentleman will have to forgive me, as I have one minute left and will not get through my points if I give way.

The hon. Member for Ceredigion (Mark Williams) asked about the UK's share of the €300 million, and we are consulting on that. The hon. Member for Shrewsbury and Atcham asked about RPA payments. Its performance over recent years has been far better than it has ever been. It now has 80 per cent. of the payments already out. If he wants to write to me on any specific problems, I will be happy to do what I can to look into them. The hon. Member for Newbury gave us the benefit of his personal experience as a former dairy farmer, adding significantly to the value of the debate. I answered some of the questions that have been raised in the debate on Monday.

In conclusion, the prospects for the sector, in the sector's view, are positive, but there are challenges. The Government are trying to help and will continue to do so. The sector is fundamentally sound, and the efficiency improvements, innovation and investments in new products mean that in the medium to long term the sector can do well.

Kenya (Drought and Famine)

11 am

Mr. Gregory Campbell (East Londonderry) (DUP): It is a privilege to serve once again under your erudite chairmanship, Dr. McCrea, as per usual. I am delighted to have secured an Adjournment debate on an international topic that has been important for a considerable time.

As the developed world changes we see economies decline and then recover. Many of the emerging economies and markets in the near and far east attempt to play catch-up with the developing world. But in the context of those changing economies on a global scale there is one persistent problem, in a geographical sense, for more than 1 billion people: that is, the continent of Africa. Kenya has a population of some 40 million, a quarter of whom are under nine years of age. So it is a significant, populous country yet it has a young population.

Every international political leader of standing in the past 30 years has given, at some point in their tenure, a statement or repeated statements on their determination to help resolve the problems that afflict much of the African continent, but unfortunately the reality is that as they leave office many international statesmen and stateswomen find that those problems are similar to when they entered office.

Drought, famine and corruption are three debilitating reasons for Africa's awful dilemma, and they afflict Kenya as much as any other country. Despite all the aid and assistance offered it seems to many on the outside that things do not change. Yet there is hope. I have been to Kenya and other parts of Africa. Tribute needs to be paid, and repaid, to the many volunteers, missionaries and charities that are involved in delivering help and hope to the people of Kenya. In north Kenya I witnessed at first hand some excellent work being carried out by missionaries, who for many years have toiled without reward to deliver assistance to the people there.

David Simpson (Upper Bann) (DUP): I congratulate my hon. Friend on securing this debate on the important subject of the difficulties in Africa. I wonder whether he agrees with me on this point. I speak to a lot of charitable organisations that I deal with and one message comes across frequently: although a lot of good work is being done by missionaries and organisations in Africa on irrigation and other projects, there is a real need for further education within the population in South Africa, especially in the rural areas—the extreme areas—to maintain irrigation and help people to help themselves. Although we put a lot of finances in, and it is good and right to do so, there needs to be more self-control and more education to maintain such projects.

Mr. Campbell: I thank my hon. Friend for his timely intervention. When I was in the northern part of Kenya, such was the level of deprivation that a new school being built by one church group was the major building work in the entire region of north Kenya. Yet that was a commitment addressing a need at local level. I concur with my hon. Friend.

In the east Africa region some 23 million people are at severe risk because of the reduction in rainfall in recent years. The average rainfall used to be 200 mm between March and May but last year in that region it was 40 mm—a reduction of some 80 per cent. on average rainfall that was already low.

A charity entitled Excellent Development does phenomenal work in Kenya. It does superb work constructing sand dams, which are a comparatively cheap and ancient system, where the water retention properties of sand are used to help grow bananas, tomatoes and beans. They cost about £8,000 to construct, making them relatively cheap. A sand dam is a reinforced concrete wall built across seasonal river beds. A pipe is built into the dam, going 20 metres upstream, and over one to three seasons the dam fills up with between 2 million and 10 million litres of water. The sand, which filters water through the pipe built into the dam, delivers a clean, reliable water supply for up to 1,200 people. These dams can last for approximately 50 years and they deliver a clean water supply for approximately £7 per head of the population. Some 200 dams have been built by Excellent Development in the past eight years in Kenya, which means that approximately 250,000 people are able to access a clean water supply as a result of a cost-effective measure by a charity that deserves the praise that is heaped upon it.

This type of innovative forward thinking can, if replicated in other parts of Kenya and across the African continent, offer hope to millions of people who otherwise would have none. Offering people ownership of the benefits of many of these projects on an anti-corruption basis can also help remove the stigma that has attached itself to some of the aid efforts of the past in Africa.

Simon Maddrell, who is the originator of Excellent Development and is originally from the Isle of Man, and Joshua Mukusya, who is described as a charismatic Kenyan agriculturist, pioneered the sand dam technology in Kenya to help impoverished communities. Between them they have delivered considerable assistance to more than 250,000 in Kenya. Simon Maddrell's original applications for charity work were turned down several times, but he decided—I have much sympathy with his decision—that if he could not join them he would beat them. He set up his own charity.

I should also like to mention the work of Dr. Rene Haller, who is from Switzerland. Dr. Haller started experimenting with different trees to see if any would put down roots into the dry, rocky terrain in northern Kenya. The casuarina tree, whose seeds were washed up on Kenyan shores when Krakatoa erupted in the 1860s, was thought to be the best candidate. It produces nutrients in nodules on its roots and so is self-sustaining.

Haller set up a charity and managed to establish many different business enterprises supported by rehabilitated land, both employing and providing food for hundreds of local people. He managed to demonstrate the value of conservation—for example, by showing farmers the benefits of tree planting in preserving water for irrigation. Another activity complements dam-building projects. To prevent the freshwater pools from becoming breeding grounds for mosquitoes, fish have been introduced and the fish eat the mosquito larvae. The fish are also a rich source of protein for the community and they fertilise the water, which makes it even better for feeding the crops. Any surplus fish are sold, providing much-needed income for local communities.

I and my party have supported successive Governments in their endeavours, through international aid agencies, to help in Kenya and throughout Africa, but I hope that the Minister today can offer the prospect of additional help to projects such as those that I have outlined,

whereby a difference can be made on a local and regional basis. I am talking not just about a difference in per capita spend in Kenya, but about a difference that is seen on the ground, at very local level, and that individuals there report as a positive step, a renewal step, a regenerating step. I am talking about steps that provide them and future generations with the wherewithal to regenerate that part of Africa.

11.11 am

The Minister of State, Department for International Development (Mr. Gareth Thomas): I join the hon. Member for East Londonderry (Mr. Campbell) in welcoming the opportunity to serve under your chairmanship, Dr. McCrea. I do not think that I have had that privilege before now. I also, in the usual way, congratulate the hon. Gentleman on securing the debate and on the way in which he introduced the topic. I welcome, too, the interest of his party colleague, the hon. Member for Upper Bann (David Simpson), in the debate. I join both hon. Members in paying tribute to the considerable number of charities, aid agencies and individuals who make it their life's work to serve people less fortunate than themselves on the continent of Africa, and in particular today, to those working in Kenya.

In a debate such as this, it is worth noting that although many of the countries in Africa still face considerable challenges, there has been considerable progress across the continent. One thinks of the considerable numbers of children who are now in school, the rising economic growth and extra jobs that are being created—notwithstanding the impacts of the current global recession—and the fact that less conflict is taking place in Africa now than probably at any time in the last 30 years, albeit there are still considerable challenges.

Mr. Campbell: May I rectify an omission? I also thank those people involved in the Westminster Foundation for Democracy, who have made a considerable contribution to the work in Kenya and other parts of Africa. I omitted to mention that in my speech and I thank the Minister for giving way to allow me to do so now.

Mr. Thomas: The hon. Gentleman makes an important point about the contribution of the Westminster Foundation for Democracy, which does very good and important work—work that is appreciated by politicians and parliamentarians across the globe, but particularly in a number of Commonwealth countries.

The hon. Gentleman rightly drew the attention of the House to the issues relating to drought, famine, corruption and good governance. Those issues would challenge any state, but they are challenging Kenya in particular at the moment. He is right to highlight the fact that for millions of people living in Kenya, hunger is a harsh reality. In 2009, an estimated 3.8 million Kenyans needed emergency food aid, hence the importance of today's debate.

It is perhaps worth pointing out that the real problem is not that there is no food available in Kenya, but that food is available only at a price that puts it beyond the reach of most people, particularly those living in remote or marginalised areas. There are a number of reasons for that. As the hon. Gentleman said, last year's drought had far-reaching consequences for Kenyan farmers, for other food producers and for people in Kenya more generally. El Niño rains were expected from October to December, but many areas experienced a shortfall of rain. It is a cruel irony that although rain is now falling in Kenya, it is falling at a rate that has caused harmful flooding in many areas in the past week alone. All that means that Kenyans are likely to suffer even more hunger this year than they did last year, and that is why the work of the charities that the hon. Gentleman described is so important.

The second barrier to affordable food has been the post-election violence that has blighted some areas. As a result of tensions and conflict, pastoralists in north and east Kenya have had difficulty accessing land and water sources. The fear of violence also means that even those who did manage to produce food face problems supplying it to their usual markets.

The third challenge has been the massive rise in food prices. The hon. Gentleman will probably remember that food prices across the world rose steeply in 2008 in line with rising oil prices. Although global prices fell later, Kenyan prices remained high last year, with maize costing about double the average global rate. That was in part due to high transport costs, but according to research recently carried out by the World Bank, domestic prices in Kenya also reflect subsidies that the Kenyan Government have offered to maize producers. By subsidising producers who sell maize to the National Cereals and Produce Board, the Government have, in effect, kept maize prices high. In addition, although the subsidies were meant to be part of the response to the food shortage, the reality is that only a minority of large farmers benefited, leaving the impoverished majority even worse off. Indeed, according to the same research, half of all maize revenues are enjoyed by just 2 per cent. of farmers.

Those, then, are some of the underlying causes of the shortage of affordable food in Kenya. I assure the hon. Gentleman that the Government are committed to trying to tackle these challenges and to giving help to those who need it immediately. Let me set out how we have responded. First, on humanitarian aid, my right hon. Friend the Secretary of State announced in October that we would provide £39 million of extra funding to tackle the food crisis across the horn of Africa, bringing Britain's total new commitments for 2009 to £83 million. As the hon. Gentleman will recognise, the horn covers a number of countries beyond northern Kenya, but Kenya certainly benefited.

I have to tell the hon. Gentleman that Ethiopia must remain our priority, given the sheer number of people in need. In 2009 alone, however, our direct humanitarian support for Kenya reached nearly £15 million. That money is helping to provide a full emergency food ration for up to 220,000 people for three months, treatment for more than 25,000 cases of severe acute malnutrition, clean water for 200,000 households and vaccination against measles for 400,000 children.

David Simpson: Will the Minister outline how the Government are helping to prevent aid—whether food, water or medical supplies—from being sold on the black market? What are they doing to tackle corruption?

Mr. Thomas: The hon. Gentleman's intervention is extremely timely, because I was moving on to reassure the House that the money we give Kenya is channelled

[Mr. Thomas]

through reputable agencies with a sound track record of aid delivery and good financial management, which the Department has worked with in several humanitarian emergencies. We have audited them regularly and are confident in their ability to get aid to those at the sharp end who need it the most. We believe that humanitarian aid should be focused on those groups where the needs are greatest, rather than spreading larger amounts of assistance more thinly.

Hon. Members will be aware that the Department for International Development, under the leadership of my right hon. Friend the Secretary of State, published a White Paper on development last July. In that White Paper we made clear our commitment to ensure that agriculture and food security will be given the highest international attention. We have as a result also lobbied other Governments to do more in Kenya. The announcement that we made on additional funding has helped to put pressure on others to do more to help the people of Kenya. My ministerial colleagues and I have approached our international counterparts and I have written personally to Development Ministers of all major donor countries to alert them to the famine in the horn.

We have tried to lead the international response to the difficulties that the people of Kenya face, and to do so by example. In 2009, the UK was the third biggest bilateral donor of humanitarian assistance to Kenya, after the US and Japan. In addition, the UK accounted for 17 per cent. of the $41 million committed by the European Community Humanitarian Office, and more than 15 per cent. of the $30 million committed by the UN Central Emergency Response Fund. The aid provided by the UK and others has brought some stability and has meant that food has been available, at least in the short term. The challenge is to avoid the same situation happening year after year.

That brings me to our second area of activity: helping Kenya to become self-sufficient so that it no longer needs to depend on humanitarian aid. We know that cash can have greater long-term benefits than food aid because it allows people more flexibility in the way that they organise their lives and incomes. We are providing £122 million over 10 years to improve the livelihoods of the poorest Kenyans, particularly in the drought-prone arid lands. Much of that is going through a hunger safety net programme, which provides cash to 90,000 poor rural households. A very rough equivalent would be the social security system of the UK. The fledgling programme is the start of a similar system in Kenya. Additional funding from the Kenyan Government, the World Bank and UNICEF extends that to another 120,000 households. In total, that means that more than 1 million of the poorest Kenyans will receive support in the form of cash rather than food aid.

We are also putting money into new crop and livestock insurance products to help poor households manage the risks posed by extreme weather events; we are trying to support people in looking after themselves for tomorrow, rather than just in dealing with the immediate situation. We have also just started working with the Ministry for Development of Northern Kenya and Other Arid Lands on a programme of longer-term support that will reduce dependence on humanitarian assistance. We plan to commit up to £15 million to that programme.

Thirdly, we have increased the frequency and intensity of our discussions with the Government of Kenya. Last year the Kenyan Government allocated more of their own resources to dealing with the consequences of drought than ever before. Frankly, they could do still more. Kenya has substantial domestic resources and should be perfectly able to prioritise the plight of its most vulnerable citizens. We shall continue to take every opportunity we can to make that point. We have also encouraged the Kenyan Government to develop their own longer-term strategy. We are working with Ministers and officials in Kenya to help them to appreciate the economic consequences of climate change, which is clearly an increasing factor in some of the difficulties that the people of Kenya face. It is particularly important that they are able to take advantage of the opportunities offered by new climate finance, including the resources committed at Copenhagen. I therefore hope that the hon. Member for East Londonderry will agree that a lasting solution to food insecurity does not lie in humanitarian aid, however crucial it might be in the short term, and that the Department needs to focus on not only the immediate humanitarian needs of the people of Kenya, but how to help them to avoid a repeat of the present situation in the longer term.

The hon. Gentleman specifically asked whether we could give further support to particular charities and he described the work of charities with which he is familiar. We have a strong programme of support for civil society; indeed, the Secretary of State increased that support last July, at the time of the White Paper. I do not know whether the organisations that the hon. Gentleman mentioned have had discussions with the Department, but if he wants to write to me or to bring some of their representatives to see me, I would be happy to listen to any presentations and to point people to potential sources of funding for work with the Department. The hon. Gentleman will understand that I can give no guarantees to him or the House, because we clearly need to do our audit checks. In principle, however, I would be happy to meet him and the organisations concerned, if he thinks that that would be useful.

Perhaps the last point that I should make is that we are seeing a disaster of the magnitude of that in Haiti every year internationally. At the same time, however, we are regularly seeing continuing emergencies of the sort that the hon. Gentleman has brought to the attention of the House. The international system is having to deal with the reality that a growing number of people need humanitarian assistance, some for relatively short periods, others for much longer. There continues to be a question as to whether the international humanitarian system is tooled up, for want of a better phrase, to cope with the expected increase in the numbers needing humanitarian assistance. As the Prime Minister said at Prime Minister's questions only last week, we need to keep our eye on that particular issue. DFID and I as a Minister in the Department are continuing to put considerable time and energy into the issue.

I hope that I have done justice to the issues that the hon. Members for East Londonderry and for Upper Bann have raised. I repeat that I am happy to meet the hon. Member for East Londonderry and colleagues in

the charitable sector with whom he has worked. I hope that people—perhaps in Kenya—will reflect on the issues that we have discussed and on whether they can do more to tackle the long-term challenges that Kenya faces.

11.28 am

Sitting suspended.

Colombia (Human Rights)

[Miss Anne Begg *in the Chair*]

2.30 pm

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): It is a pleasure to serve under your chairmanship, Miss Begg. I sought this Adjournment debate because I visited Colombia last year and saw at first hand the human rights atrocities that go on in that country. The Colombian Government are a slick PR machine, well rehearsed at saying all the right things about how they are tackling the human rights crisis, but the real situation is very different from what they say. In fact, the regime in Bogota is complicit in the abuses.

However, the Labour Government are endorsing the proposal for an EU-Colombia free trade agreement—something that will only serve to legitimise the terrible record of the Uribe regime. Our Government say that they will ensure that a human rights clause is incorporated in the agreement and that that will provide the UK and the EU with leverage to force Colombia to comply with certain human rights standards, so I want to pose these questions to the Government.

First, if innocent people are still, as we speak, regularly being murdered by the Colombian army, why do the Government and the European Union believe that rewarding the regime with an FTA will do anything to improve the situation? Surely it would be better to wait for the killings to end—to tell the regime that it can have the agreement after it starts respecting human rights, not before.

Secondly, how will the Government monitor improvement by using the clearly bogus figures produced by the Uribe PR machine? Thirdly, what is the mechanism for withdrawing the agreement? We understand that withdrawal requires unanimous agreement by all the EU member states—something that we are never likely to get, regardless of the abuses in Colombia. Lastly—this is the proof of the pudding, as I see it—the EU already has a generalised system of preferences trade agreement with Colombia, which includes human rights clauses that the Colombia regime is currently flouting, yet the EU, far from suspending that agreement pending an investigation, as it is doing with Sri Lanka, is choosing to reward the Colombian regime with a full free trade agreement.

I come now to some specifics of the human rights situation in Colombia. First, I want to focus on the abuses suffered by our trade union colleagues, because, as we all know, that country is the most dangerous place on earth in which to be a trade unionist. It is vital to put it on the record that contrary to the assertions of the regime in Bogota and some of its more fervent supporters in the international community, the situation has not improved for trade union members. The facts are clear. In 2007, there were 39 assassinations of trade union leaders; in 2008 there were 49. That is a 25 per cent. increase in the number being killed.

The statistics are the same for other abuses. More trade unionists are receiving death threats and being forced to flee their homes and jobs. More trade unionists have disappeared and more trade unionists are being locked up without trial. It is high time that people stopped swallowing the propaganda of the Colombian regime and looked at the reality.

[Jim Sheridan]

It is also important to examine who is perpetrating the attacks and, according to the Colombian TUC, that is pretty clear. In 90 per cent. of the cases, the perpetrator of the abuses is the state, either directly via the police and army or indirectly through allowing right-wing paramilitaries linked to the army free rein to butcher our trade union colleagues in that country. The question of why they are being targeted also comes back to the Colombian state. On repeated occasions in recent years, the Colombian President himself, President Uribe, has spoken out publicly about trade unionists, human rights activists and the like, but instead of saying how important their work is and offering support for their predicament, he has lashed out at them, describing them as criminals or terrorists. Such comments lead to people being killed, and President Uribe knows that.

Bob Spink (Castle Point) (Ind): Like the hon. Gentleman, I have visited Colombia, but I did so about eight years ago. I met President Uribe and all the officials there and was given assurances that the extra-judicial killings and the murders of trade union representatives were now under control and were stopping and it was all a put-up job by other organisations. I came back to this country and had meetings with Ministers here and was given the same assurances, but we see things, if not staying the same, getting even worse. Is the hon. Gentleman confident that this time the Government will actually listen and take action on this matter?

Jim Sheridan: The proof of the pudding will be in my hon. Friend the Minister's response. I agree with the hon. Gentleman, in that the Colombian Government run a slick PR system and they are very convincing, especially when we are talking to Ministers, but I am confident that our Minister will see through that and see the Colombian regime for exactly what it is.

What is truly astonishing, however, is the impunity that the perpetrators of the attacks enjoy and the almost total lack of any genuine effort on the side of the Colombian authorities to confront the problem. More than 100 union leaders have been murdered in Colombia since 2007, yet in not one of those cases does anyone appear to have been convicted and jailed for the assassination. That is a green light to those who engage in the attacks to continue doing so. Although the Colombian regime claims that it is dealing with the issue, it is unable to supply the names of anyone who has been convicted of any of the killings or to say in what jail they are being held.

Mark Pritchard (The Wrekin) (Con): Does the hon. Gentleman accept, if he takes the figures from the Human Rights Observatory, that in fact there has been a significant reduction in the number of union leaders being killed? For example, in 2008 it was 17; in 2009 it was nine. I would be interested to know where he got his figures from.

Jim Sheridan: We got the figures from the Colombian TUC, and nine killings is nine killings too many.

Mark Pritchard: Yes, of course it is.

Jim Sheridan: There is nothing to celebrate in nine people being killed through no fault of their own.

Bob Spink: I was told eight years ago that the killings would cease totally, and they have not.

Jim Sheridan: You can imagine the outcry, Miss Begg, if nine trade unionists were killed in this country; you can imagine the effect that there would be. The situation is similar for journalists, because Colombia is one of the most dangerous countries in the world in which to be a journalist. Six were assassinated there during 2009, and the concerning thing about such cases is that those murdered are invariably the journalists reporting on Government corruption, human rights abuses or other issues that the regime in Bogota would prefer to be swept under the carpet. There has been widespread harassment of journalists deemed unsympathetic to the Administration of President Uribe, including by the DAS—Department of Administrative Security—secret police, who in one case threatened to murder the daughter of a reporter if she did not shut up. It is not enough simply to condemn those who violate press freedom or kill trade union activists. Those responsible need to be named and shamed, and in this case that is primarily the Colombian regime.

The second human rights issue that I want to touch on is political prisoners, as although the regime in Bogota appears to find it impossible to arrest those responsible for killing trade unionists and others who speak out against President Uribe, it seems to have no problems whatever in locking up critics for long periods without trial, on the flimsiest of evidence. That tactic of jailing opponents is used by several nasty regimes around the world. Burma, Zimbabwe and Sudan jump to mind, and the Foreign Office has rightly spoken out in those cases. What is strange in the case of Colombia, unlike the others that I have mentioned, is the deafening silence from our Government. Let us be clear: although the regime denies it, the Colombian authorities are throwing large numbers of people in prison simply for their political beliefs.

With five parliamentary colleagues, I visited several of the victims of that criminalisation in two prisons in Colombia last year. It was clear that they were being locked up on bogus evidence that would not be taken seriously in most countries. They are normally accused of rebellion or terrorism; but they are not taken to court so cannot clear their names. They are left to languish in jail for months—and, indeed, for years.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I, too, had the opportunity a few short years ago to visit Colombia. Along with my colleagues, I had the chance to meet a number of displaced people. I understand that their number has increased to about 4.5 million—but perhaps my hon. Friend was coming to that. Does he agree that that figure alone suggests that it is time for a strategy to return to peace in a country that does not give the impression that its leadership is prepared to do so?

Jim Sheridan: My right hon. Friend is renowned for his work in international development. Indeed, he is regarded by many in the House, if not all, as a man of the highest integrity. In case there is any ambiguity about what we are saying, my right hon. Friend has confirmed that it is also his view.

Why have we not condemned this state of affairs more forcibly? The truth is that it should not need much pressure to get the Colombian authorities to release those prisoners. For example, the British NGO Justice for Colombia has managed to get more than 15 political prisoners released; and only days after we visited the prison, one of the prisoners whom we had met was freed, which allowed a very public denunciation of his situation in the Colombian press.

I would like to focus on one prisoner, a woman I met last year. She is an outspoken defender of human rights and trade union rights, and she remains in prison unconvicted even as we speak. I ask the Minister to consider the case of Liliany Obando. She is an academic, and has toured north America and Australia at the invitation of trade unions there, with the express intention of raising awareness of the human rights crisis in Colombia. Her high profile work clearly angered the regime in Bogota. Shortly after she returned from one of her speaking tours, she was dragged from her home in front of her young children, and thrown into jail. That was a year and a half ago, and she is still there. I therefore urge the Minister to make urgent representations on her behalf and publicly demand that the Colombian authorities release her immediately.

Mr. Eric Joyce (Falkirk) (Lab): I understand that one of the accusations against Liliany Obando is that she was collecting money for terrorists, yet she had raised money from a Canadian trade union to be used for an educational project in Colombia. That accusation was condemned by the Canadian Government. I hope that the Minister will consider taking the same position today.

Jim Sheridan: My hon. Friend makes a perfectly valid point. The Canadians have been very proactive, not only in that case but on the situation in Colombia in general. I shall touch on that aspect later.

I wish to cover one other matter—one that is so important that it deserves the attention of everyone here today. It is the question of extra-judicial execution. It is a deplorable practice. The Colombian army is murdering civilians, and then dressing their bodies and pretending that they were guerrillas killed in combat. It does it because, in the grotesque world of Colombia's Ministry of Defence, soldiers who achieve a high body count receive financial bonuses with time off work and their officers receive promotion.

To the south of Bogota is a poor neighbourhood called Soacha. Over the past few years, countless young men from that neighbourhood, where unemployment is extremely high, have been offered jobs by a bogus employment agency established by the army. The young men, some as young as 17, when going off for their first day at work, simply disappeared—that is until their bodies were paraded on television by the army as guerrillas killed in combat; they were even wearing FARC guerrilla uniforms. The problem was that although their bodies were riddled with bullet holes, their uniforms were not; they had clearly been dressed as combatants after they had been executed.

It has since transpired that that practice is systematic, and is carried out by military units across Colombia. I understand that about 2,000 cases have been identified—that is 2,000 civilians who have been slaughtered in cold blood by the Colombian army. What happened at Soacha was important, although Colombian human rights groups had been highlighting the practice for some time—only, I might add, to be accused by President Uribe of being anti-army terrorists.

Soacha was the first time that the media, the United Nations and others became involved. Indeed, the UN High Commissioner for Human Rights said that the phenomenon was so extreme, so systematic, that it could be described as a war crime. Soacha therefore became an emblematic case; and everyone, including the US Government, expressed concern and called for justice—and the Colombian Government promised that justice would be done.

Once again, however, despite the promises, the Colombian Government appear to have done nothing. Although a small number of soldiers were detained pending trial, I understand that in the last couple of weeks, now that international scrutiny has subsided, the Colombian authorities have started releasing those men without them having faced trial. Basically, those responsible for that industrial-scale slaughter are back on the payroll.

That, however, is just the tip of the iceberg, as the majority of those involved were not even investigated. Their ringleader, General Mario Montoya, who in any other country would have been jailed for life, was instead appointed Colombian ambassador to the Dominican Republic. He remains there today, no doubt living the cushy life of a diplomat, yet his victims' families have received no justice.

The contrast with the plight of Colombia's political prisoners could not be greater. It is astonishing that the authorities in Colombia seem unable to catch the soldiers responsible for the extra-judicial killings, or the hundreds of people who have assassinated trade unionists, yet at the same time they are most effective at locking up those who speak out against the abuses and the Uribe regime more generally.

To sum up, it is important to say that the Colombian regime is expert at misleading the international community, and at providing misleading and bogus information to try to pull the rug over our eyes. Senior Government officials will sit in front of us, smile, look straight into our eyes and tell a pack of lies. It is crucial that we do not fall for it. We need to listen to what human rights organisations, trade unions, independent journalists and so many other brave members of Colombian civil society are saying. What they are saying is supported by evidence that the Uribe Administration are complicit in the violence and are not the slightest bit serious about dealing with the abuses.

If we believe the propaganda, we will be doing an immense disservice to the people of Colombia. For that reason, I call on the Minister to end British political, diplomatic and military support to that odious regime. In particular, in light of all the evidence, it is absurd to suggest that pushing ahead with a free trade agreement between the European Union and Colombia will help to alleviate the suffering of Colombian civil society. Colombia's trade unions, human rights groups, organisations that represent peasant farmers, its indigenous people and thousands of others have made it clear that such an agreement would make the situation worse, not better.

[Jim Sheridan]

It would be a disgrace for the British Government to support anything that merely served to legitimise Uribe. We should be on the side of those whose rights are being abused, not of those who are perpetrating the abuses.

2.48 pm

Mark Pritchard (The Wrekin) (Con): I congratulate the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing this debate. He brings an important subject before the House. I have much respect for him. I know that he feels passionately about the matter and has consistently spoken up for human rights in Colombia.

I declare an interest in that I recently visited Colombia as a guest of the Colombian Government; it is entered in the Register of Members' Interests. I am also secretary of the all-party group on Latin America, and a member of the Conservative party Human Rights Commission with responsibility for Latin America. I have often raised human rights matters, not only with the Colombian ambassador in London but with incomers and ministerial visitors from Colombia—and, indeed, when I was in Colombia.

I condemn any killing of any sort in Colombia, whether it be the assassination of political leaders, the recent assassination of a regional governor, or the assassination of trade unionists or journalists. All murders and killings are wrong, but I hope that the hon. Gentleman and some of his esteemed colleagues will recognise that progress has been made. I dispute the figures that he has brought before the Chamber this afternoon. Every murder and killing is a murder and killing too far; they leave behind a suffering and grieving family. None the less, there has been a reduction not only in extra-judicial killings but in the killings of journalists and trade unionists. The perpetrators of such murders are wide and varied, and it would be wrong entirely to place the blame at the foot of the Government of President Uribe.

If the hon. Gentleman cares to look at the statistics for the amount of close protection and bodyguards that are given to trade unionists, he will see that they have increased. Perhaps I might pay tribute to him in that regard. The Government of Colombia were right to listen to the view of many people in this House—whether they be on the left or right—that there should be better provision for the protection of trade unionists, and that is happening and it should continue to do so. The Government of Colombia are right to keep the matter under review and if the provision needs to be extended, so be it.

There is a contradiction at the heart of the hon. Gentleman's argument. On the one hand he suggests that the Government should do more to promote human rights in Colombia, and on the other, some people on the Labour Back Benches have been campaigning very hard to see human rights training for senior military officials in Colombia withdrawn. That is what has happened. Therefore, the contradiction at the heart of his argument is clear. We need people at the very top as well as people in voluntary organisations, non-governmental organisations, and advocacy groups promoting human rights.

Mr. Tom Clarke: Does the hon. Gentleman not concern himself with the fact that when we look at Colombia we discover the tremendous problem of drugs and the influence of the drug barons? We are told that drug-related conditions are second only to cancer as a cause of death. Does he not feel that much more needs to be done to co-ordinate a response to remove that blemish?

Mark Pritchard: I completely agree with the right hon. Gentleman. The fact is that drugs from Colombia—I was recently in the jungles of Colombia—fuel crime in the streets everywhere, whether it be in West Bromwich Albion, Shropshire, or in the Rhondda. I am glad that the British Government are working in close co-operation with the Government of Colombia to deal with the issue. What is of particular concern is the new and emerging link between al-Qaeda and the FARC, which live and breathe off drug money. Moreover, because farmers have been so successful in diversifying their crops away from cacao, a lot of the drug production has been displaced into Venezuela. A question perhaps for another day is: what are the Government of Venezuela and President Chavez doing with the revenue that is coming from drugs in Venezuela? Therefore, progress is being made, but we want to see more.

Let me touch now on the organisation Justice for Colombia, which is funded by the TUC. Although I do not have an issue with that, the TUC and some trade unionists need to recognise that progress is being made. If occasionally they made one positive statement about the most minuscule amount of progress in whatever Government department in Bogota, some of their many siren calls about the Government of President Uribe might be taken more seriously. They need to applaud on occasion and condemn, as I do, when there are human rights abuses. I suspect that even if President Uribe or any future president were to get it absolutely right, Justice for Colombia may well move on to President Calderon and become Justice for Mexico.

Let us consider the facts. There has been a reduction in homicide, including the homicide of union leaders and teachers, who are also unionised members; a 90 per cent. drop in kidnappings; and a huge demobilisation of guerrillas, from the FARC and the other two groups—perhaps there is a lesson there for the Afghanistan campaign—the members of which have become integrated into society and run farms and small businesses. FARC numbers are running at around 9,000, which is a huge success. Both individuals and the collective have been demobilised and vulnerable groups have been protected.

If we look at who has attended this debate today, we will see that many of the glitterati of the left are here, and they are entitled to their view. I suspect that much of this agenda—not all of it, the human rights issue is important—is driven by an anti-capitalist outlook on life. [Hon. Members: "Oh!"] Yes, shock, horror. It is also driven by a slight dash of anti-Americanism. The fact is that the EU-Colombia free trade agreement will address many of the issues on which we agree. It will reduce poverty, enfranchise people to set up their own small and medium enterprise businesses, allow people to have the money to put shoes on their children's feet, and enable people to send their children some distance to go to school. If there is no agreement, millions of Colombians will be locked into the poverty they find themselves in at the moment. If there is a real campaign

against the free trade agreement, the left in the Labour party should say so and tell its Front-Bench team. I will support the Government if they continue to support the drive to see that trade agreement come forward.

There have been successes in the Colombian economy. GDP and exports are up; inflation is down and private investment and foreign direct investment have risen. Britain, of course, is a major investor. I caution the left of the Labour party, those anti-bilateral trade agreement people, and those who have the dash of anti-Americanism running through their blood, that many pension trusts and investors from this country invest in Colombia. A destabilised Colombia would present a peril to pension investment and to the people who draw pensions in every constituency represented in this House today. The public sector debt and unemployment are down, and we want to see more people in employment, but let us recognise progress when progress is made.

Please forgive me, Miss. Begg, but I need to leave this debate early. I am sure that some hon. Members will be delighted about that. I will read the debate in *Hansard*. I am sure that it will be exhilarating, especially with my hon. Friend the Member for Rayleigh (Mr. Francois) and the Minister for Europe on the Front Benches.

Let me finally touch on Venezuela. It is particularly unhelpful to the poor people of Venezuela and Colombia and to the region as a whole for President Chavez to use hot talk to endanger stability and geopolitical peace in the region.

Colin Burgon (Elmet) (Lab): The hon. Gentleman talks about stability in the region, but have President Chavez's troops interfered in any other country in the way in which Colombian troops did in Ecuador?

Mark Pritchard: I just look at the incoming traffic to Caracas, which represents the glitterati of peace and human rights: President Ahmadinejad, Prime Minister Putin—

Colin Burgon: Answer the question.

Mark Pritchard: I am coming on to that; I am giving the hon. Gentleman some context first. The fact is that there are incursions on both sides of the border. They should end and both Governments should ensure that the rhetoric is reduced and that there is dialogue in a measured, calm and reasonable way, because conflict in the region would be absolutely disastrous for both countries.

I also encourage the hon. Gentleman himself, through his Venezuelan contacts, to encourage the Government of Venezuela not to talk in apocalyptic terms and not to talk about nuclear ambitions—I have a reference to such talk here and I am happy to send it to him. That talk is destabilising for the region and—dare I say it?—it is also destabilising for the poor people in the region and for human rights throughout Latin America.

I conclude by saying that much progress has been made in Colombia. It is not enough, it is not being made quickly enough and more needs to be done. However, I encourage the glitterati of the left in the Labour party to recognise where progress is being made. Yes, they should condemn when it is appropriate to do so, but occasionally they should recognise and applaud where breakthroughs have been made.

3.1 pm

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I congratulate my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing this debate. It is an important debate and he has covered the issues affecting Colombia comprehensively. Indeed, when one also takes into account what the hon. Member for The Wrekin (Mark Pritchard) has just said about his involvement with and understanding of Colombia, it makes for an extremely comprehensive background to the debate.

The issue that I want to raise is a narrow one. I want to focus my remarks on the secret police in Colombia, who are known as DAS. I want to bring to the Minister's attention, although I think that he will be aware of them already, the press reports in Colombia that have suggested that there is a link between the UK security forces and DAS, which is a suggestion that I find greatly disturbing. We need to take these reports seriously and I will be listening to what the Minister has to say regarding the issue.

When we look at the situation of the security forces in Colombia, I think that hon. Members would agree that the reports that have emerged indicate that there is a straight link between President Uribe and the security forces; that, in fact, they report directly to him. I think that colleagues will also be aware of the recent scandal involving the security forces in Colombia. They have been involved in drug trafficking. It would appear that their involvement has been basically to neutralise the complaints that have been made regarding other activities.

This may be another point that the Minister can respond to, but I understand that, because of what has gone on in Colombia with the security services there, Interpol has decided that it should no longer co-operate with the DAS security forces. As I say, perhaps that is something that he will refer to in his winding-up speech.

I also understand that senior Colombian officials have been embarrassed by the scandal involving the country's security services and that they themselves have made statements, which have also been reported in the press, calling for disbandment of the security services. Again, that may well be something that the Minister wants to refer to in his winding-up speech.

Having listened to my hon. Friend the Member for Paisley and Renfrewshire, North, I think that it is fair to say that there is still thuggery in Colombia. I think that that is accepted, although the hon. Member for The Wrekin made the point that there has been a reduction in the number of homicides in Colombia. Nevertheless, the very fact that a homicide can take place is to be considered disturbing. Although that decline in the number of homicides has happened, the thuggery is still there.

Indeed, when we look at what the Colombian security services have been involved in, we know for a fact—the evidence shows it—that death lists have been drawn up by the security services, they were passed to paramilitaries and paramilitaries carried out the murders. Although there may be a reduction in the number of homicides, the fact that that kind of activity can take place in a modern society is very disturbing.

Hon. Members may well have seen or read this already, but I understand that it has been reported in the Colombian press that, in one instance, members of DAS were

[Mr. Michael Clapham]

ordered to participate in the murder of a trade union leader. The fact that the security services are involved in intimidation, which can lead to murder, and have tried to cover their tracks by drug trafficking again causes me concern about the way in which that society operates.

We also know that the threats have been widespread. I want to make the point to the Minister that communication intercepts of, for example, Supreme Court judges, trade unionists, human rights activists and so on have been made. We know that as a result of those intercepts, death threats were made. It would be a laugh if it were not so serious, but the death threats have been made in accordance with a textbook that is issued to DAS officers. The textbook sets out how they should approach or communicate with a particular person to make their death threat. It is because of the way in which these death threats have been made to this group of people that they have been traced back to that textbook and therefore to the security services.

I understand that the actual machinery that was used to make those intercepts is alleged to have come from the UK. It is alleged that the machinery was provided to the security services of Colombia and that it is being used, as I have said, in an intimidatory way. Perhaps that is something else that the Minister will refer to in his winding-up speech. If there is indeed evidence that such technology has been exchanged with or sold to Colombia, I hope that he will take action to ensure that that activity is brought to an end.

The final point that I want to make to the Minister is related to the way in which the British embassy in Bogota appears to have a relationship with, for example, the director of DAS. I have been told that I can be provided with a list of the people who were invited to a dinner at the embassy last year and that among the names on that list is that of the director of DAS. If that is correct, again, I find it very disturbing that that man, who is responsible for intimidation, has been invited to attend a dinner at the British embassy.

Mark Pritchard: I understand the hon. Gentleman's concern. However, is he not in danger of confusing the relationship between the UK embassy and Colombia in relation to counter-terrorism advice, help and support and the embassy's counter-narcotics help and support, given that those two issues are linked to what goes on in the streets of London and elsewhere?

Mr. Clapham: I do not think that I am in danger of confusing those issues. We have evidence that the director of the security services is so involved in thuggery that we should keep our distance from him. We should pass instructions down the line to our embassy in Bogota saying that we should not invite people to dinners at the British embassy when we know that they have been involved in the violation of human rights, as this person has been. When the Minister winds up, perhaps he can let us know whether any instruction has been passed down the line to ensure that we do not invite people who are involved in thuggery to the British embassy. Inviting such people to dinners at our embassy is not helpful, because it gives Britain the wrong image throughout Latin America. If I am proved correct about this issue, I hope that action can be taken and that an instruction can be passed down the line saying that we should not be involved with people we know to be involved in thuggery.

3.11 pm

Colin Burgon (Elmet) (Lab): I congratulate my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing the debate. I have been described as many things, but I have never been described as part of Labour's glitterati. When I look round at Members from places such as Barnsley, Paisley and Renfrewshire, and Bradford, I know that those are the places where the real glitterati hang out.

My hon. Friend mentioned the proposed free trade agreement between the EU and Colombia and how its so-called human rights clauses are likely to have no effect on the situation in Colombia or on the behaviour of what can only be classed as the abhorrent regime in Bogota. However, I would like to add a couple of points about the agreement that make it even more imperative that the British Government insist on delaying it.

The first point relates to the international situation and the United States. The hon. Member for The Wrekin (Mark Pritchard) accused some of us of anti-Americanism, but I side with Americans such as Mark Twain, who said that he did not want to see the eagle of freedom sink its talons into any other country. There is a sizeable body of opinion in America that thinks differently from right-wing Republicans. As hon. Members and the Minister will be aware, the US Congress, backed by the President, has so far refused to ratify the country's free trade agreement with Colombia. The reasons that have been given for that are the human rights situation, the ongoing attack on trade unionists and others and the continuing impunity that the Colombian authorities have permitted. I understand from recent press reports that the US ambassador in Colombia announced last week that he thought there was little chance of the US-Colombia agreement going anywhere at this stage. Interestingly, Foreign and Commonwealth Office Ministers are often portrayed as America's outriders, so I wonder how they feel about the present situation. On most occasions, we seem very pleased to follow in America's wake, but what are we doing now?

In addition, the Canadian Parliament has not ratified the proposed Canada-Colombia trade agreement, again after incredibly fierce debate about the human rights consequences. Similarly, the European Free Trade Association group of countries has delayed approval of its free trade agreement with Colombia, again on human rights grounds. For the European Union to press ahead with such an agreement would send entirely the wrong signal—that human rights are not so important to the European Community. It would also shatter the international consensus on the issue and provide President Uribe—one of the worst human rights abusers in the world—with an incredible domestic propaganda victory, which his regime, more than any other, does not deserve.

My other point on the free trade agreement is perhaps of more concern. The Minister will correct me if I am wrong, but I understand that informal discussions with the European Commission have revealed that suspending the proposed EU-Colombia free trade agreement on human rights grounds at some point in the future would

require the unilateral agreement of all 27 EU member states, and senior Commission officials have privately admitted that there is no chance whatever of securing that unanimity. The Colombian regime presumably knows that—as has been said, it has an excellent intelligence agency domestically and internationally—and therefore has little interest in whether there are human rights clauses in the agreement, safe in the knowledge that they would never be enforced in any case. Therefore, the arguments that the Foreign Office has repeatedly put forward in recent months about including human rights clauses in the agreement are slightly disingenuous—I am being quite polite there. Colombia clearly does not respect human rights, and incorporating in the agreement clauses that will never be implemented will do nothing to change that.

My hon. Friend mentioned that Colombia benefits from a generalised system of preferences-plus trade arrangement with the EU. That mechanism specifically says that countries benefiting from the GSP must comply with several international human and labour rights standards. If they do not, it says that an investigation should immediately be opened into their conduct and that trade preferences should be suspended, as recently happened in the case of Sri Lanka and, before that, Belarus. Colombia complies with virtually none of its obligations under international treaties. Do not get me wrong, the Colombian Government swear that they comply with everything, but that is nothing more than spin in reality. They regularly breach International Labour Organisation core labour standards, and collective bargaining in the public sector, for example, is illegal under Colombian law. They also flout international human rights norms almost daily. Has the European Commission pushed for an investigation or a suspension? It has not. I wonder why. When such abuses so clearly continue, why on earth would it be sensible to upgrade Colombia's trade status?

When one looks at how the GSP human rights clauses have been so comprehensively ignored, it is beyond belief that the Foreign Office should continue to bleat on about how the human rights clauses in the proposed free trade agreement will make all the difference, give us leverage, force an improvement and all the other nonsensical arguments that we have heard. When I last met a Colombian trade unionist just before Christmas, she clearly told me how strange she and her colleagues felt about what was happening with the free trade agreement. They had always assumed that Europe was to the left of, or more progressive than, its counterparts in Washington. For us to push ahead with the agreement, while the United States has taken the position that it has on human rights, is an utter disgrace. It is stomach-churning that a Labour Government should provide this undeserved reward to a regime that murders more trade unionists than every other repressive regime in the world combined. I and other members of the glitterati will continue to raise this issue, because the fate of working people, whichever country they live in, is closely linked with our politics, and we will not give up on them.

Several hon. Members *rose—*

Miss Anne Begg (in the Chair): Order. I would like to call the Front-Bench spokespeople at 3.30 pm. I call Jeff Ennis.

3.18 pm

Jeff Ennis (Barnsley, East and Mexborough) (Lab): It is always a great pleasure in such debates to follow my hon. Friend the Member for Elmet (Colin Burgon), who is a new Labour colleague and friend. I congratulate my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) on calling the debate. It is always a great privilege to support an hon. Member whose constituency's title is as long as mine.

In December 2009, I was fortunate to be a member of a delegation to Colombia sponsored by the Justice for Columbia campaign, and if hon. Members have a look at the Register of Members' Financial Interests, they will see my entry in that weighty tome. I want to make some general remarks about that visit, which was my first to Colombia. First, the country is very beautiful and has an excellent climate. Its regions are very fertile and it is very productive agriculturally. It is rich in mineral resources and the people are fantastically friendly to Europeans like us. The problem, currently, is that the people of Colombia are being badly let down by their national Government, whose performance has a negative impact on the country's standing in the world. The biggest problem is the infringement of Colombian people's human rights, particularly the number of extra-judicial killings that continue to take place, and particularly the killing of opposition politicians and trade unionists. As Amnesty International has said, Colombia is the most dangerous country in the world in which to be a trade unionist. For the past decade, more trade unionists have lost their lives in Colombia than in all the other countries of the world put together.

When we arrived in Bogota to go to the hotel in the city centre, one of the first things that I noticed was the number of people on motorcycles, and the fact that they all had reflective bibs and crash helmets with the registration number of the motorcycle. That is because of the number of drive-by shootings from motorcycles carried out in places such as Bogota. That is the sort of legislation that the Colombian Government have had to pass to try to protect as many ordinary people as possible. It is a sad indictment of the current state of affairs.

I want, having set the general scene, to turn the Minister's attention to two seriously worrying incidents that occurred while we were in Colombia. The first was something that we witnessed in a town called La Macarena, a tiny community in a remote rural region called Meta, which the delegation visited. My hon. Friend talked about the appalling phenomenon of extra-judicial executions, in which the Colombian army has murdered thousands of innocent civilians and then tried to deceive public opinion by claiming that they were guerrillas killed in combat. The people responsible for those crimes have gone unpunished, and I understand that the new commander of the Colombian army, who was allegedly appointed to clean things up, was previously the officer in charge of a region called Antioquia, where perhaps more extra-judicial executions have occurred than anywhere else. In addition to him, numerous other army officers who were behind those killings have been promoted. Virtually all remain on active duty, which is no doubt the reason why the murders continue.

In La Macarena we met local people and human rights activists from the region, who gave us details of case after case of innocent, mainly young, people simply

[Jeff Ennis]

disappearing. No one was investigating the cases, and those who dared to speak out about them were threatened and, in some cases, forced to flee the area. However, what shocked us the most was the cemetery in that small village, which could be better described as a mass grave. On the village outskirts, right next to the main military base in the region, was a cemetery with more than 1,000 unmarked graves. Each had a little cross with the letters "NN" on it, which in Colombia means an unidentified body, along with the date of burial. Nearly all had a date in either 2008 or 2009. There were just as many dated 2009 as there were dated 2008, to answer the point made by the hon. Member for The Wrekin (Mark Pritchard), who is no longer in his place, about progress being made by the Colombian Government. That is not what I witnessed at first hand in La Macarena.

Even more chillingly, there were four graves that had been dug ready for the next crew. I got the impression that they had been dug to order, ready for the next four extra-judicial killings. No one except the army knows who the people in those graves really are, and as access to the region is severely limited, and no autopsies or investigations are carried out, it is almost impossible for anyone else to identify the victims. To make things clear, those people are not included in the 2,000-odd cases of extra-judicial execution that are being investigated. Those dead people are completely unregistered. I strongly believe that the army in that region systematically murders people and buries them in the cemetery. The army admitted to killing them, but said that they were all guerrillas killed in combat—although there are not that many guerrillas within 100 miles of La Macarena because of the heavy military and police presence.

Something else that caused me concern was that when we met the officer in charge of the military establishment, Colonel Yunda, he explained to our group that he had been trained by the British Army. He even gave us the name of the sergeant-major in charge of the course he was on. We were all very disappointed and found it very hard to accept that a British soldier had trained that colonel for the Colombian army.

My first request to the Minister, therefore, is that he should arrange for our embassy in Bogota to take a serious look at what is happening in La Macarena. I have no idea whether all those bodies are still there. Some say that the Colombian army might try to remove them, now that it knows that the cat is out of the bag, but we have plenty of photographs as documentary evidence. Given the relationship of the Foreign Office with the regime in Bogota I feel sure that a strongly phrased request from our ambassador to the Colombian authorities to explain who the hundreds of dead people in La Macarena cemetery are, along with pressure to allow an independent investigation and proper autopsies, would have an effect on the Colombian Government. I ask the Minister to ensure that our embassy intervenes.

When we flew from La Macarena to Villavicencio we went to a civilian airport, and that was the only place where I saw direct evidence of harassment of local people. On that day flying around Colombia to the war zones, as it were, we were accompanied by two human rights activists, Edison Cuellar and Carolina Hoyos, who are very brave people and a credit to the people of Colombia. When we got to the civilian airport we were late for our next engagement, so we got on the minibus as quickly as we could. I was called later, as I was the only MP there, to go back into the airport, because the people there had detained Edison and Carolina. We had shown our passports and gone straight through, and the people on the gate had called two guards over—I guessed they were members of DAS—who began investigating and questioning them, asking them where they were from, their home addresses and so on. They were harassing them. After a while, when I went to find out who those people were, they gave us false passes. The dispute went on for a while and I said I would raise it with the ambassador. Eventually, those two guys, who were dressed in jeans and did not look like security men at all, produced passes showing that they were DAS security men. I know that if I had not been there Edison would have been in danger of taking a good beating. It reminded me to some extent of Grimethorpe in 1984 during the miners' strike.

My second request to the Minister relates to one of those activists who were in our company, Carolina Hoyos. She is an exceptionally brave young woman, and a human rights activist in Meta region. She helped to arrange our visit to La Macarena. Carolina has taken testimony from hundreds of victims of human rights abuses in the region and has been a great help to us. We were in awe of her commitment and bravery. However, just days after we left the region, when we got back to England, her home had been broken into. All the documents about the cases that she was investigating—cases clearly showing the complicity of the Colombian army in the abuses—were stolen. Other items of value were left. It was clearly a burglary to order. I do not think that it was a coincidence that her house was burgled after she had accompanied us on the visit. I am deeply concerned for Carolina's personal safety, and would therefore welcome a commitment from the Minister that he will look into her case, and that of her colleague Edison Cuellar, who also worked with us on our visit and is the vice-president of the regional human rights committee. It needs to be made crystal clear to the Colombian authorities that nothing should happen to either of them.

The UK's relationship with Colombia is extremely important to the Colombian Government. After all, the UK is the largest foreign investor in Colombia after the USA, with investments totalling more than $16 billion. We should be using our relationship with the Colombian Government to apply more pressure to eliminate human rights abuses.

The hon. Member for The Wrekin said that nothing positive comes from the Colombian Government. The number of kidnappings in Colombia has fallen drastically in the past few years. That should apply equally to the number of extra-judicial killings.

Miss Anne Begg (in the Chair): I said that I hoped to call the Front-Bench spokesmen at 3.30.

3.30 pm

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing this debate on an issue of undoubted importance.

Colombia is suffering one of the worst humanitarian crises in the world. It has the world's second largest number of internally displaced people—3 million to 4 million have fled their homes in the past two decades—and

one of the highest murder rates in the world. Today we have heard from many hon. Members who have been to Colombia and witnessed at first hand the suffering of the people there, including poor peasant farmers, indigenous people, trade unionists, human rights activists and journalists. The list seems to go on and on. Although killings by gangsters are obviously a great cause for concern, there is something particularly chilling about state-sponsored executions and the repression of different political viewpoints. It is an affront to the foundations of a free democracy.

Behind the figures and statistics often heard in such debates are individual stories, particularly those of people whom Members have met, which often end up being the most poignant and powerful. I was moved by the story of Liliana Obando and am looking forward to hearing the Minister's response on her case. Equally, I was shocked by the practice of killing innocent civilians and dressing them up in guerrilla clothing in order to claim a bonus. The fact that that happens not occasionally but systematically is deeply shocking.

The Colombian Commission of Jurists shows that state agents are directly or indirectly responsible for three quarters of extra-judicial killings, political murders and forced disappearances. The Colombian Government's record has been pitiful. Last year, they made a show of arresting 42 current and former members of the army for such crimes, but 38 have been released pending trial, and now the deadline for prosecution has lapsed. As many Members have pointed out, even when the Colombian Government say the right thing, they all too often do the opposite.

The UK Government have changed their position on Colombia. They have cut off bilateral aid for de-mining and human rights training for the army but, bizarrely, continue to give military aid for counter-narcotics programmes. The Minister is shaking his head; I hope that that means that it is no longer happening. We should not be giving military aid and legitimacy to an army with such a poor human rights record. In addition, although I do not have time to go into detail, the many killings by right-wing paramilitary forces and by guerrilla groups, including FARC, have left many ordinary Colombians fearing for their lives.

President Uribe seems to be following the worrying trend in the region of trying to extend his term of office by changing the constitution, but that is ultimately an issue for Colombians to decide. Depending on the Constitutional Court's ruling, there might be a referendum in which they get to have their say, but in general terms, it is not a good trend for democracy. In a democracy, no one person is indispensable. Last month, the International Crisis Group highlighted the dangers for institutions in Colombia and the dominant Executive power if democratic checks and balances were undermined and the constitution were changed. It could have severe consequences for the human rights situation in Colombia.

I will be brief, because I want to ensure that the Minister has plenty of time to respond to the many points raised in this debate. I encourage him to touch particularly on human rights abuses by the Colombian army and the state itself. The Government have been strong in their condemnation of paramilitaries and guerrilla groups. I hope that condemnation of the Government and state actors will be equally strong in his remarks.

There has also been an interesting debate on free trade agreements. Although discussions and negotiations should certainly continue, there is no strong case for renewing the agreement while the human rights issues remain unresolved. I welcome the Minister's comments on that and look forward to hearing him set out clearly and in full how he thinks the Government can bring pressure to bear on the Colombian Government to protect the human rights of everybody in that country.

3.35 pm

Mr. Mark Francois (Rayleigh) (Con): It is a pleasure to serve under your chairmanship, Miss Begg. I congratulate the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing this important debate, which he introduced with evident commitment.

In the past decade, Colombia has made significant progress in reasserting Government control over much of its territory, combating drug trafficking and terrorist activities by illegally armed groups and reducing poverty. Since the development of Plan Colombia in 1999, the Colombian Government, with substantial support from the UK, the United States, Canada and others, have stepped up their counter-narcotics and security efforts.

Against that backdrop, the human rights situation is improving, but Colombia remains a country in transition. Although the country's security situation has vastly improved in the past decade, fighting between the armed forces and illegally armed groups continues to harm the country's citizens, especially its most vulnerable groups, the displaced, the indigenous population and Afro-Colombians.

Years of reforms and training, as well as key changes in leadership, are leading to welcome progress in increasing the armed forces' respect for and understanding of human rights. Practical examples include the army's new rules of engagement, which exist to ensure that international humanitarian law is followed in combat situations. However, revelations of extra-judicial killings in Soacha and a preliminary report by the UN special rapporteur for extra-judicial killings indicate that far-reaching reforms have not fully taken hold.

Mr. Tom Watson (West Bromwich, East) (Lab): The hon. Gentleman is being as generous as ever. The British Government support a European free trade agreement with Colombia, with the justification that human rights in the country will be closely monitored. Given that the budget for investigating forced disappearances was only £13,000 last year and the budget for identifying the victims of forced disappearances was £39,000, would it not be wise for the Minister to commit to considering that budget in order to ensure that there is a body of evidence to test the justification for the treaty?

Mr. Francois: I suspect that the hon. Gentleman may want to have a repeat bite at the Minister himself if time allows, but he has put the question to me as insurance. I will not speak for the Minister—I will allow him to respond in his own way—but having sufficient resources to investigate such matters is probably important. However, I will leave him to give his own definitive answer.

To their credit, the Colombian Government have responded firmly to the revelations of extra-judicial killings by issuing a zero-tolerance policy for abuses

[Mr. Francois]

and implementing reforms to prevent similar crimes in future. The prosecutor general's office continues to investigate more than 75 members of the armed forces linked to the killings. The Government still have much to do, but those are signs that they recognise the severity of the problem and are working to address it. None the less, according to Human Rights Watch's annual world report published in January 2009, hundreds more cases of extra-judicial killing and other human rights abuses await resolution. Non-governmental organisations have criticised the impunity resulting from the backlog of cases, and some worry that the departure of prosecutor general Mario Iguaran on 31 July 2009 will cause further delays. In 2008, the Colombian Government increased the office's budget and personnel levels, which was a step in the right direction and an indicator of the Government's commitment to ending impunity, but more trained investigators and prosecutors are needed to address the office's overwhelming case loads.

Despite the challenges that the prosecutor general's office faces, it has made several important advances in human rights cases during the past two years, including arresting four retired generals for collusion with paramilitary forces and reopening the case against retired general Rito Alejo del Rio for his alleged crimes during Operation Genesis.

It is crucial that the United Kingdom Government do all they can to help Colombia during the next few years. I know that my hon. Friend the Member for Aylesbury (Mr. Lidington) has spoken to both British and Colombian officials, who expressed their disappointment at the Government's decision on 30 March 2009 to end bilateral human rights projects with the Colombian Ministry of National Defence, even though the United States and Canada have increased financial commitments to such projects.

Will the Minister say why that decision was taken at such a crucial time for the evolution of human rights in Colombia and will he confirm that the decision was not linked in any way to cost-cutting measures in the Foreign Office? In addition, will the Minister explain how the budget shortfall currently affecting his Department is impacting on funding for Colombian programmes? While the Foreign Office is under so much financial pressure, it is important that the Government finally shed light on how much they are spending on counter-narcotics programmes. That issue links indirectly to human rights abuses across Colombia.

I have no doubt the Minister will explain that the Government are unable to publish what resources are used in counter-narcotic operations because of security concerns. However, the United States, which runs extensive counter-narcotic operations in Colombia, diligently lists every dollar spent on such operations for the public to see. The Department of State's Bureau for International Narcotics and Law Enforcement Affairs annually publishes extensive information on not only how much money is spent, but details of the programmes in place and analysis of their success over the past 12 months. Of course, there is a need to protect national interests and individual personnel, but the secrecy with which the Government surround their counter-narcotics programmes leads only to unfounded suspicions and, in some cases, conspiracy theories. Will the Minister let us know which body monitors how much money the UK Government spend on counter-narcotic operations in Colombia and who is responsible for assessing the effectiveness of the programmes?

Despite the difficult fiscal reality in which we find ourselves, I urge the Government to continue to take the issue of human rights seriously and to support the Colombian Government in their reforms. In the past, Colombia has struggled to exist as a democratic nation against an utterly ruthless, well-organised, drug-financed terrorist group. I ask hon. Members who have spoken this afternoon—some with considerable passion—to acknowledge the reality that the country has faced.

Investment in and trade with Colombia can help the country to overcome those challenges. A free trade agreement would be an effective mechanism whereby Colombia could use the resulting economic opportunities to boost social conditions. That would ultimately lead to better respect for human rights and reaffirm Colombia as a strategic partner for the UK in Latin America. UK investment in Colombia is substantial—more than $16 billion a year—and it is surely in both countries' interests to build on the trade links that already exist.

However, having said that, it is undoubtedly true that real issues remain around the persecution of trade unionists and human rights defenders in Colombia. A human rights clause in any free trade agreement with the EU that would enable suspension of the agreement if it is breached would act as an incentive to have frank and constructive dialogue. The promises and good will expressed by the Colombian Government have not always been translated into practical effect and improved human rights at a grass-roots level, but sometimes they have. I hope that the Minister will continue to give those issues a high priority in the formulation of Government policy.

Many points have been made and I have been urged by a number of hon. Members to give the Minister as much time as possible to reply. I know that Back Benchers will want to press the Minister in interventions, so partly out of deference to them, I will conclude and give the Minister 16 minutes to speak in response.

3.44 pm

The Minister for Europe (Chris Bryant): It is a delight to sit under your chairmanship, Miss Begg. I warmly congratulate my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing the debate. This subject is one of the key issues the UK faces in our relations with Latin America and the European Union. As he may know, there was a very interesting debate on the subject in the European Parliament on Monday. I know that many hon. Members follow these matters keenly, as do many of our constituents. Many hon. Members write to me on the issues that their constituents have raised, and we watch the topic very closely.

I am reminded of the words of Arthur Ponsonby—a Labour Under-Secretary of State in the Foreign Office in 1924—who, a few years after 1924, said:

"When war is declared, truth is the first casualty."

In the ongoing war there has been in Colombia between different groups—paramilitary and military, and different drug lords—it has been difficult to see the truth. Although the hon. Member for The Wrekin (Mark Pritchard) spoke with his customary intelligence, his version of

events was rather different from the version of events that I have. He has a rather over-optimistic interpretation of the situation in Colombia.

Mr. Watson: When truth is tested, we need to adhere to our virtues. I have a simple request for the Minister: will he comment on the activities of the former British ambassador to Colombia, Sir Tom Duggin? I understand that after leaving the embassy in Bogota, he took control of the Colombian operations of the mercenary company Global Risk Strategies, which is now known as the Global Strategies Group. That firm was established by Damian Perl, a former marine, and Charlie Andrews, a former Scots Guard officer. It has operations in Afghanistan and is one of the largest mercenary companies operating in Iraq. The company has been mired in controversy, and many of its staff members—ex-Fijians and ex-Gurkhas—have been killed in action. Will the Minister comment on the appropriateness of our former ambassador taking up such a role in such a controversial country?

Chris Bryant: I am grateful to my hon. Friend for that intervention. I understand that Sir Tom Duggin has not worked for the company to which he refers for a couple of years. It is obviously difficult for me to comment on his work for that company when he is a former civil servant. I am not aware of any direct conflict between Sir Tom Duggin's former responsibilities and the work he has done, but if my hon. Friend has specific allegations he would like to make, I hope that he will put them in writing to me, so I can look into them.

Mr. Watson: It is not an allegation; I would just like to know whether the Minister thinks it is appropriate for a former ambassador to work for a mercenary company.

Chris Bryant: I do not know the specifics of the matter or of the work in which Sir Tom Duggin has been engaged—I have never met the man—but if my hon. Friend says he is not making an allegation, I suppose that there is nothing I can investigate.

My hon. Friend the Member for Paisley and Renfrewshire, North spoke with passion. Whether he is a member of the glitterati of the left—a rather weird phrase that was used this afternoon—I do not know. I have spoken to others who went on the trip to Colombia and know that the visit was an eye-opener for many of those who went. I will come on to some of the specific issues that he raised in a moment. The hon. Member for The Wrekin suggested one of the more bizarre things I have heard today: that FARC and al-Qaeda are somehow linked. That is the first time that I have ever heard such an allegation, which seems bizarre in the extreme.

It is interesting to note that the work we do on counter-narcotics with the Colombian Government is very similar to the work we do with the Venezuelan Government on counter-narcotics. Both of those countries fully acknowledge the problem that they have. We have to acknowledge that the consumers of cocaine in this country are part of the problem that leads to the human rights abuses across the Andean countries—in Peru increasingly, in Colombia, in Ecuador and, of course, in Venezuela. In Venezuela, the issue is largely to do with the trade—the passage—through the country, which often goes on to Africa. I am glad to say that we work closely with not only the Venezuelan Government but the Spanish Government to try to prevent that trade. The hon. Member for The Wrekin has a rather exaggerated understanding of what a free trade agreement can or cannot achieve.

I also say to the hon. Member for Rayleigh (Mr. Francois) that, although I want to see a free trade agreement with Colombia, Ecuador and Peru, I do not believe that it should be any free trade agreement. The point being made today is this: if we are convinced that the current human rights abuses are such that we might want to cease the free trade agreement, why on earth would we want to sign up to a free trade agreement that we could not be certain we would be able to suspend? I have said regularly to my Colombian counterpart, and to President Uribe for that matter, that they will have to do significantly more work before the whole of Europe will feel able to subscribe to a free trade agreement. I also believe that it would be wrong for us to close the door on negotiations on a free trade agreement, because that would simply be like saying to Colombia, "Don't bother engaging with Europe on those issues and carry on exactly as you are doing."

I think that we should be pushing hard on the issue of human rights with Colombia to ensure that all the issues are dealt with so that we can then sign a free trade agreement, and that is the track that we have been encouraging the Spanish Government to go down during their six-month presidency of the EU. It cannot be just any free trade agreement. One specific issue on which we have held firm is the question of whether a suspension, if we wanted to suspend, would come in immediately when we think that there are significant human rights abuses, or after a 15-day delay. We think that it should be immediate, and I have made that point firmly to the Colombian ambassador to the UK.

Colin Burgon: On that point, would the Minister clarify whether unanimity across all member states would be required to trigger that suspension? If that is the case, does he not think that it would be virtually impossible to achieve?

Chris Bryant: My hon. Friend is absolutely right. Unanimity would be required to sign up to the agreement and to suspend it. I am less pessimistic than he is about the possibility of securing a suspension if one was wanted, because that is precisely what we have done in the case of Sri Lanka, on which it has not been all that difficult to secure unanimity.

There are some key challenges in Colombia in relation to human rights. The first, which has barely been touched on today, is the problem of poverty. Many millions of Colombians live in abject poverty and have no opportunity to make a decent living or feed themselves properly. That is one of the key issues the Uribe Government have said they are intent on tackling. It is true that they have made some progress on poverty, as have many other countries in Latin America, but we want to see much further progress, not least because the roots that the drugs trade is able to press down into Colombian society depend on the endemic poverty across the country.

The second key human rights challenge, as many hon. Members have mentioned, is the number of murders. Colombian statistics might indicate a fall from 28,000 murders in one year to 16,000 in another,

[Chris Bryant]

but that is still 16,000, a very large number of murders. That is accompanied by complete impunity. We have heard today of the number of cases in which there is no investigation, let alone the cases in which there is some investigation that takes a long time. Clearly, where there is no justice, there is a significant human rights abuse. Therefore, I want to see all the murders tackled, whether they are extra-judicial killings or those that result from the general level of violence in the population.

The third key human rights challenge, as hon. Members have mentioned, relates to trade unions, and I raise that point as a trade union member myself. The number of trade unionists, and other human rights defenders for that matter, who are murdered in Colombia is still far too high. We could have an exchange about whether that number is 49, 39, 17 or nine, but the fact is that trade unionists are being killed because they are trade unionists, and that must stop. We must make that absolutely clear, as I have done regularly.

Ms Katy Clark (North Ayrshire and Arran) (Lab): The case of Liliana Obando has already been raised with the Minister this afternoon. As he is aware, a large number of trade unionists have been, and are being, held in custody in Colombia. Will he make representations to the Colombian authorities about that woman?

Chris Bryant: My hon. Friend is absolutely right, and we have already made representations about Liliana Obando. We first did that on 27 April 2009 when we sent two letters from the British embassy: one to Carlos Franco, director of Human Rights First and director of the presidential programme for international humanitarian law; and the other to the director of international affairs from the prosecutor general's office. On 25 June we received information from the prosecutor general's office. The Colombian Foreign Secretary is in London tonight and tomorrow for the conference on Afghanistan. I shall be seeing him this evening, and I will raise that case specifically with him. It is not something we will let go over the days to come.

When I visited Colombia before Christmas, I raised with all the people I met, including President Uribe, the need for Colombia to seize the issue of human rights abuses. Otherwise, it is difficult to see how in the end it can be the closest partner with the EU, which we would really like to see. Furthermore, a couple of weeks ago the Colombian Deputy Foreign Minister, Adriana Mejia, was here in London. I raised a series of human rights issues with her then, and I intend to write to her about the case that my hon. Friend has just raised.

I mentioned earlier the issue of impunity, which is still one of the biggest problems. In many parts of Latin America the prison systems are simply unable to cope and the criminal justice systems are unable to deal with cases fast enough. Therefore, the perpetrators of extra-judicial killings, whether paramilitaries, members of the military or whoever they are, simply go by without any justice at all. We would not accept that in this country, and we should not accept it for the people of Colombia either. That is why we work particularly hard to try to tackle the issues of corruption that exist in the criminal justice system in Colombia.

Mr. Watson: I know that my hon. Friend is doing his best to move the agenda on, but with regard to the point raised by my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) about the use of technology by DAS to identify potential human rights activists, would he commit to investigating whether it is British technology that is used and report back to the House on that, given that we are moving into an era of struggle for information freedom, as Hillary Clinton says?

Chris Bryant: My hon. Friend might not be a member of the glitterati of the left, but he is certainly a member of the glitterati of the blogosphere, so he is much more technically competent than I am. I am happy to look into that matter, but I am slightly hesitant about what I might be able to say in public, because traditionally, as I think all hon. Members accept, we do not want to talk publicly about the specifics of our counter-intelligence work. As a former Minister in the Ministry of Defence, he will understand that.

Another problem, which I have raised with the deputy Minister for human rights in Colombia, relates to the law on rebellion, or rebeldia. Intrinsically, at face value, that certainly does not seem like a law that respects human rights. One might think that it allows someone to rebel—I see several hon. Members on whom the Whips might have more of an effect if we had a law on rebellion in the UK. The serious point is that it is absolutely clear, as my hon. Friend the Member for Elmet (Colin Burgon) said, that Colombia needs to do considerably more to abide by conventions of the International Labour Organisation and the UN. Recent reporting and monitoring of changes in the law suggest that it is moving in the right direction on those issues. Consequently, I am keen to encourage the Colombian authorities to move further.

We have touched on the issue of the drugs trade, and undoubtedly that is one of the single biggest causes of death, violence, criminality and corruption within the whole of Colombian society. It is one area where I think we British have a shared responsibility with Colombia. That is why we do not provide military aid to the country. We have stopped providing human rights training to the military because we do not want to provide aid to the military. Instead, we try to tackle the drugs trade.

Miss Anne Begg (in the Chair): Order. We must move on to the next debate.

EU-Israel Trade Agreement

4 pm

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): This debate relates to the information given to Her Majesty's Revenue and Customs by those exporting goods from Israel and Israeli settlements to the United Kingdom and the effectiveness or, as I shall demonstrate, the ineffectiveness of HMRC checks in preventing fraud.

Under the EU-Israel trade agreement, produce from Israel enters the UK and other EU member states under a preferential agreement that exempts it from import duties. The agreement only applies to Israeli territory that is within its internationally recognised borders, and that has recently been reaffirmed in a legal ruling from the European Court of Justice.

The Israeli authorities have long had a cavalier attitude to compliance with the agreement. In 1997, for example, in another Adjournment debate, I drew attention to the then practice of Israeli authorities of importing Brazilian orange juice, re-labelling it "Made in Israel" and re-exporting it under preference to the European Union. Israel has also unilaterally interpreted the agreement as applying not just to Israel but to the numerous settlements in East Jerusalem and the west bank, even though they are illegal under international law. Settlement produce has been routinely labelled "Made in Israel" and thereby exemption has been claimed from import duty. Not only is that defrauding the EU taxpayer by avoiding legitimate import duty, but it sets a dangerous precedent that could allow other countries unilaterally to reinterpret their agreements with the EU.

As a result of the abuse, in February 2005 the EU introduced a technical arrangement requiring all goods from Israel to be marked with their place of origin and postcode, supposedly so that individual customs authorities could identify settlement goods and prevent the fraudulent obtaining of exemption from import duty. However, it is clear that these checks are not working and that goods from settlements are still being misrepresented as originating in Israel.

An indication of the likely scale of abuse can be estimated from the total duty raised on settlement goods in 2009, which was just under £22,000, compared with demands for duty in 2005-08 that averaged £110,000 per annum, which is five times the level raised in 2009 and suggests that at least 80 per cent. of settlement goods are imported without duty being paid on them. The information and powers available to HMRC are so weak that the controls are unenforceable and the European Commission oversight is ineffective.

I shall now deal with the mislabelling of goods and will talk first about agricultural produce.

Jeremy Corbyn (Islington, North) (Lab): Will my hon. Friend give way?

Dr. Starkey: I would rather not, if my hon. Friend does not mind, because I have a lot of densely argued stuff that I want to get on the record.

There is mixing of produce within one consignment. It is well known that the major exporter, Agrexco, which is responsible for 60 to 70 per cent. of settlement produce, mixes settlement and non-settlement produce in its depots and then labels the whole lot as originating in Israel, which means that all of it gets the import duty. It has been confirmed by EU diplomats that that happens in respect of oranges. The answers that I have received to written parliamentary questions give additional indirect proof of that, showing that in the 12 months to March 2009 HMRC identified six consignments as being from settlements although they were validated by the Israeli customs authorities as originating in Israel, and describing a particular consignment which contained two consignments of herbs that were identified because the packaging was properly labelled as coming from the Jordan valley, although they were included in a consignment purporting to be from Israel. Obviously, mixed consignments are hiding settlement goods. Although HMRC undertakes physical inspections, it cannot look at every consignment—there are tens of thousands a year—and it is presumably only detecting the tip of the iceberg.

The trade agreement sets out in detail the documentation that is required from exporters and importers: the original commercial documents accompanying the customs import declaration; the sales invoice and delivery/consignment note or packing list issued by the exporter and showing the UK importer; health documentation where required; and, where a preferential rate of duty is claimed, either a proof of preferential origin showing the place of production and zip code on the invoice or on form EUR1, which is issued by the exporter and stamped by the Israeli authorities. It is clearly stated on EUR1 that anyone signing the form will be committing an offence under section 167 of the Customs and Excise Management Act 1979 if the declaration is incorrect. The importer is also held responsible.

The problem is either that documentation is insufficiently detailed to reveal all settlement goods' origin or there is deliberate falsification at the Israeli end. The first problem is that the EUR1 form does not travel with the goods, and as long as the form has a location and postcode and is stamped by the Israeli customs authorities it can be accepted by HMRC. That is a huge loophole. A report in 2006 in the Israeli business magazine "Globes" helpfully described how it is done:

> "The method is easy: you invent an address within the Green Line and operate using this address. In this way you do not have to pay the customs fees that apply to products exported from across the Green Line. The method works, but not for those whose company carries a name that gives away the true location—such as Golan Height Wineries."

The Israeli authorities clearly turn a blind eye to this practice, although it is interesting to see that, at the same time, they have set aside 30 million Israeli shekels through the Israel Export Institute to be used for compensation for manufacturers from across the green line, by paying the import duties for them. However, presumably that is only done for those whose names give away where they are, because only four exporters have applied.

Given the well-documented policy of deliberate falsification, the powers of HMRC are incredibly weak. If HMRC has doubts it can make a verification request, but that request just goes straight back to the same Israeli authorities who mislabelled the produce in the first place. I have received a written parliamentary answer that confirms that the issuing and verifying authorities are the same.

In 2007-09 HMRC asked Israel to verify 65 preference certificates that were doubtful, but even when it asks, the Israeli authorities do not necessarily respond. In the

[Dr. Starkey]

same period HMRC made 21 requests for information to Israel, but 12 were not answered within the 12 months stipulated in the agreement.

Strictly speaking, customs can only levy import duty if they can definitely tell that goods are from settlements. However, it is interesting that, in dealing with BRITA water-carbonating machines manufactured in Maale Adumim, even though the Israelis first said that those were made "under Israeli Customs administration", and then refused to reply when asked to confirm that they came from a settlement, German customs levied import duty in the absence of definite proof from the Israelis that those were manufactured within Israel. HMRC could learn a few lessons from German customs and could perhaps be a bit more robust about levying duty when it has strong suspicions.

There are two other things that HMRC should be doing. First, more information on exactly where the products are from could come from the traceability system set up by retailers and importers, which is primarily to meet food safety requirements but is also there to give information to customers. That system is much more detailed. For example, my hon. Friend the Member for Birmingham, Northfield (Richard Burden) asked Tesco about some dubious-looking mangoes in one of its stores and was given the precise name of the farm that they came from, which turned out to be in Israel.

I accept that HMRC cannot demand the traceability information, but it could ask the retailers and importers if it could look at it where suspicions arose about the customs declaration, because that would give HMRC independent, extra information. It is in the interests of retailers that their audit trail is not compromised. They would not want goods in their stores to be labelled as coming from the west bank if that was not so, or to give a different description to HMRC and thereby avoid the import duty.

The second issue is the spot checks that HMRC does on consignments. It has not done any checks at all on sweet peppers, halva or tahini, although all those products are known to be produced in settlements. Halva and tahini, for example, are produced in the Barkan settlement by Achva and sold widely in the UK. It would be an obvious thing to target those products. HMRC does apparently target products and addresses that have misrepresented produce before and where there are known production facilities in settlements, but it does not seem to do that often. I would be grateful if my hon. Friend the Minister said how often imports are challenged. Why does HMRC not step up the spot checks and use the information that is widely available from, for example, the recent report by the School of Oriental and African Studies and the information available from a number of non-governmental organisations in Israel about which goods are most likely to be coming from settlements?

The third issue is that no action seems to be being taken against those who make false declarations, apart from charging the import duty. As I mentioned, however, the form that they all sign confirms that they would be committing an offence if the declaration was incorrect and, in a debate that I introduced before Christmas on consumer labelling of settlement goods, the Minister of State, Department for Environment, Food and Rural Affairs, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), clearly said that claiming preference on settlement goods was "an offence".

Section 167 of the Customs and Excise Management Act 1979 is the provision that is used to take action against people who are thought to be smuggling cigarettes by pretending that they are for personal use when they are actually bringing them into the country for resale. Those individuals can be fined or detained and persistent offenders imprisoned for up to seven years. I do not understand why the same rigour is not used against those who are doing it, for purely commercial reasons, from settlements in Israel.

I now turn to a specific case relating to cosmetics in which it seems to me that even more blatant fraud is occurring. Cosmetics, particularly from Dead sea products, are very significant imports into the UK; there were 417 consignments of beauty and skincare products in 2009. I want to focus on Ahava, a firm that is part-owned by two co-operatives based at Mizpe Shalem and Kibbutz Kalia. Both are in the occupied Jordan valley and both are on the EU list of settlements. The products that Ahava produces are based on Dead sea mud, which is extracted at both those sites and processed at Mizpe Shalem. There is no evidence of any other production facilities and certainly none within green line Israel, although the head office is near Tel Aviv.

The Ahava website and product labels clearly give the postcode at Mizpe Shalem and then say "Israel", which is an incorrect description. Its chief executive was totally open in a BBC interview a year or so ago about the fact that it uses the head office address, not the site of production, to justify the "Made in Israel" claim. That could not be more blatant. There is no argument about this one, and when challenged—

4.12 pm

Sitting suspended for a Division in the House.

4.22 pm

On resuming—

Dr. Starkey: I was just talking about Ahava and mentioning that when the firm was challenged about where its site of production was, it made no attempt to rebut its site in the occupied territories, but just waffled about how

"the Dead Sea treasures are international and do not belong to one nation",

which was an interesting response to an HMRC request.

In answer to another written parliamentary question, HMRC confirmed that all such cosmetics— not just Ahava ones—are imported as "from Israel". Many other companies working with Dead sea products and which are known to have their facilities in the west bank must also be using some other address to get the "Made in Israel" designation. It means that Ahava products, although labelled as "from the occupied territories", must be designated as originating from Israel on the EUR1 form, which means that it is putting down the head office, not the site of production. Other companies that use products where the Dead sea mud and other minerals are processed or mixed with other ingredients from Israel should, on the EUR1 form, be setting out the proportions that originate from Israel and the proportion originating not from there, but from the west bank. However, they are obviously not doing that.

There is an additional issue that is beyond HMRC, which is whether Ahava and the others are violating article 55 of the Hague regulations on exporting non-renewable resources from an occupied territory. The Ahava case is so blatant that Dutch customs have now agreed to investigate after questions in Parliament from Socialist party MPs. Surprisingly, HMRC claims not to have shared any information with the Dutch authorities, which seems extraordinary. The HMRC claims to closely monitor imports, but has so far identified no cases where doubt existed over the place of production of imported cosmetics. However, it has asked the European Commission to check that the Israeli authorities are including the place of production and not the head office on the proof of origin.

That brings me to the role of the European Union. Apparently, UK Customs does not have the power to visit the occupied territories to check production facilities and so on, but the European Commission does. Any irregularities reported to the Commission are supposed to be disseminated to European Union member states, including information about the action taken. That does not seem to be happening in relation to Ahava or, in the German case, to BRITA.

Officials from the Commission origin unit visited Palestine and Israel in 2009, apparently to get a clearer picture of where the production sites were. However, the European Anti-Fraud Office, OLAF, which can enter the premises of Israeli exporters and examine their bookkeeping, has apparently not passed on any information about what came out of that visit. I should point out that because movements in the west bank are controlled by the Israeli army, OLAF cannot make unannounced inspections of premises in the settlements themselves. What information has the European Commission gathered? Has that information been communicated to member states, and will HMRC be acting on it? If not, will the Minister press for more effective action by the Commission?

To summarise, the Israeli authorities, the export companies and the producers all have a strong interest in misrepresenting the origin of settlement produce. First, they have a direct financial incentive, through the exemption from import duty if the goods are alleged to be from Israel. Secondly, there is the possibility of evading consumer boycotts aimed at settlement goods; that has become particularly important now that the Department for Environment, Food and Rural Affairs has insisted that guidance more clearly identifies settlement goods for the consumer. It has to be said that they have a track record of deliberate falsification. However, HMRC monitoring relies on inadequate documentation, and if there is doubt, it has to go back to the same authorities for confirmation; it can then be kept waiting for up to 10 months. Even in a blatant case such as that of Ahava, no action seems to have been taken.

The European Commission is also failing in its duty to collect the information needed by member states to deal with fraud and to disseminate information between the various customs authorities. It is absolutely unacceptable that such systematic and sustained fraud should be allowed to continue. I have five specific questions on that point.

First, in relation to agricultural produce, will HMRC discuss with retailers how they can share their traceability information? That should at least ensure consistency between consumer labelling on whether exemption from import duty applies. Secondly, will HMRC consider more rigorous verification procedures that do not rely on the same source of information as the original issuing authority? If necessary, that should be taken up urgently with the European Commission.

Thirdly, given that the technical arrangements are unenforceable, what action will the Government take at EU level to make them enforceable? Fourthly, will HMRC do spot checks based on a proper risk assessment—that is, on known settlement producers, and information from external reports. Fifthly, will the Minister explain how Ahava cosmetics, which are known to be produced in the occupied territories at Mizpe Shalem, are permitted to be designated "Made in Israel" and escape import duty? Will the Minister instruct HMRC to investigate Ahava urgently, and to share that information with their Dutch colleagues in order to stop this fraud?

4.29 pm

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): Her Majesty's Revenue and Customs is sensitive of the need to ensure that settlements products do not receive preferential tariff treatment incorrectly. Over the past eight years, it has been monitoring UK imports under the agreement and taking steps to identify consignments that have been mis-declared. Of course, the department is always happy to receive information to aid its targeting, and to listen to suggestions for ways in which controls and checks in this sensitive area may be improved. I am therefore grateful to my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) for highlighting a number of areas that merit further consideration.

In 2009, UK importers made claims to Israeli preference on some 20,300 import declarations; the total value of the goods concerned was £419 million. That was equivalent to 63 per cent. of all imports from Israel. Within that overall figure, there were about 3,600 claims to preference on agricultural products, which again equated to 63 per cent. of all imports of agricultural products from Israel.

The high total volume of imports means that Revenue and Customs must undertake checks, which may be the physical examination of goods at the time of importation or post-importation documentary checks on the basis of risk. In the case of physical examinations, Revenue and Customs and the UK Border Agency, which undertakes the examinations at the frontier, must ensure that the right balance is struck between the levels of customs controls and the free movement of legitimate goods, and that is particularly important with regard to perishable fresh produce.

Revenue and Customs selects imports for check on the basis of information and intelligence received from the European Commission, interested parties, the media and other Government Departments, and on the basis of irregularities it has already identified.

On 1 February 2005, the technical arrangements, to which my hon. Friend referred, came into force. They require exporters in Israel to insert the place of production and accompanying postcode on all proofs of preferential origin issued. However, it does not constitute a requirement for all goods to be marked with the place of production.

Revenue and Customs welcomed the technical arrangement, because it enables the department to check the place of production against the list of settlements

[Sarah McCarthy-Fry]

locations, which have been circulated to member states' customs by the European Commission. The list was last updated in September 2009.

Under the terms of the arrangement, Revenue and Customs immediately refuses, without the need to return the certificate to Israel, a claim to preference made under the agreement where the place of production is in a settlement. Since 1 February 2005, the department has rejected some 515 proofs of preferential origin under the arrangement, and has issued customs duty demands totalling £289,000. The figure of 515 represents about 56 per cent. of all Israeli proofs of preferential origin, which have, to date, been checked on the basis of risk.

However, since the introduction of the technical arrangement, Revenue and Customs has initiated some 27 verification inquiries with the authorities in Israel when it has had concerns about the accuracy of the place of production that has been inserted on the proof of preferential origin.

I mentioned earlier that Revenue and Customs is always prepared to consider and act, where possible, upon any new intelligence that will help it to improve its risk assessment and targeting. It will, therefore, undertake further checks in respect of known settlements producers, and pay particular attention to imports of cosmetic products from Ahava.

My hon. Friend may be interested to know that each year, Revenue and Customs checks around 3,000 import declarations on which a preferential rate of duty has been claimed. Those checks result in around 370 verification inquiries, covering some 2,400 proofs of preferential origin. The monitoring of Israeli imports is an important part of those overall checks.

In June 2008, Revenue and Customs received information that suggested that the fact that an Israeli place of production and postcode is included on the proof of preferential origin does not necessarily mean that the products concerned—notably fresh fruit, vegetables and herbs—originated in Israel. There were concerns that the location and code may simply refer to a company's head office or distribution centre in the state, the produce concerned having actually been grown or produced on a farm in a settlement.

Such concerns were repeated in various press articles and television news stories, which also raised concerns about the labelling by UK supermarkets of fresh produce, such as herbs and avocado pears, which some had admitted to purchasing from Israeli-managed farms in the settlements. While the correct labelling of products after importation is not the responsibility of Revenue and Customs, it recognised that it is not possible to establish from documentary checks alone whether produce is labelled as originating in a place other than an Israeli location.

Since the end of July 2008, officials in the UK Border Agency have, at the request of Revenue and Customs, undertaken 51 targeted physical examinations of dates, frozen sweetcorn, fresh herbs, avocado pears, grapes and tomatoes imported under the EU-Israel agreement. We now understand that in the case of avocados, the intelligence received may have been flawed.

Only two labelling irregularities have been identified so far, and they concerned imports of fresh herbs. The packaging showed that the produce originated in the Jordan valley, while the accompanying proof of preferential origin showed that the herbs were produced in a location in the state of Israel.

There is no blanket legal requirement for the place of production to be inserted on all produce or its packaging. In the absence of such a marking, as was the case in a number of the examinations undertaken to date, there is little that Customs can do when the accompanying proof of preferential origin shows that the produce was produced in an Israeli location. Similarly, the department does not have sufficient evidence to the effect that the goods were not produced in Israel where "produce of Israel" has been inserted on the product or its packaging. Most of the products that have been examined to date bore such an origin marking.

With the voluntary labelling guidelines that Revenue and Customs contributed to DEFRA's issuance of its guidelines, we are hopeful that those UK supermarkets that decide to implement the voluntary arrangement will persuade their suppliers to display clearly the place of production on their products or their packaging. That could have a useful knock-on effect in helping Revenue and Customs with its series of targeted physical examinations. In the meantime, we will extend our series of targeted examinations to include peppers, halva and tahini.

We are aware that certain supermarkets may be able to identify the origin of their products from their tracking systems and we would be very happy to utilise those systems, where possible, to refuse claims to preference immediately at the time of importation into the UK. However, when we look at our import declaration database, supermarkets are rarely shown as the importers on the customs declaration. In effect, it would be possible only to utilise a tracking system post-importation of the goods and the checks would have to start at the supermarket end of the chain.

We are prepared to explore with supermarkets the feasibility of using their tracking systems to link particular products that the systems show as originating in the settlements with particular customs import declarations and any claims to preference made on them.

The Revenue and Customs delegate to the European Union's origin committee has advised the European Commission and other member states in the committee's meetings of the UK's actions in respect of monitoring of the EU-Israel agreement, particularly in relation to the series of targeted physical examinations.

Outside of those meetings, Revenue and Customs has asked the Commission to ensure that the Israelis are correctly complying with the requirements of the 2005 technical arrangement by inserting the precise place of production rather than a head office or distribution centre on the proof of preferential origin. We will continue to press this point with the Commission.

We are aware of the Commission's fact-finding missions to Israel and Palestine in 2009 and we have asked the Commission to provide us with reports of those missions as soon as they are available.

My hon. Friend referred to provisions in section 167 of the Customs and Excise Management Act 1979, which enable Revenue and Customs to take action against traders who commit an offence. Under those provisions, we can only take criminal action against the UK importer where there is firm evidence to the effect

that they knew that the goods originated in a settlement but nevertheless claimed Israeli preference. The provisions do not enable the department to take action against the exporter in Israel who has drawn up a proof of preferential origin containing an incorrect place of production or an incorrect origin declaration.

However, new civil penalty provisions came into force on 24 December 2009, as a result of which Revenue and Customs can issue a financial penalty where an importer persistently claims preference on products that are not entitled to such treatment, which will be in addition to the liability to pay the full rate of customs duty.

Although legal constraints mean that the department has no alternative other than to initiate verification inquiries with the Israeli customs authorities, it is happy to make improvements to its risk assessment and to include further fresh produce in its series of targeted physical examinations. We will also pay further attention to imports of particular products, such as cosmetics, which were mentioned by my hon. Friend. We will explore with supermarkets the possibility and feasibility of using their tracking systems post-importation to identify imports of goods that were not entitled to the preference claimed.

We will continue to work closely with the European Commission and other Departments with the objective of ensuring compliance with the rules in this complex and sensitive area. That will include pressing the Commission to monitor the operation of the 2005 technical arrangement even more closely.

Water and Sewerage (South-west)

4.39 pm

Mr. Adrian Sanders (Torbay) (LD): I am grateful to have the opportunity of raising this very important issue—

Miss Anne Begg (in the Chair): Order. May I ask the hon. Gentleman to go back to where he was sitting before? He must not speak from the Front Bench even in a half-hour debate.

Mr. Sanders: I just thought it was more comfortable.

Miss Anne Begg (in the Chair): I apologise. You could have sat on the Front Bench, but not where your party's spokesperson would normally sit.

Mr. Sanders: Wherever, this is still an opportunity to raise a vital issue that affects my constituents in Torbay and many other people across the far south-west, and it has done so for more than 20 years.

The high water bills facing South West Water customers have been in place since privatisation and stem from the iniquitous requirement for 3 per cent. of the population to pay for the clean sweep programme for 33 per cent. of the UK's coastline. The average bill for South West Water customers is £490, a staggering £723 for unmetered customers. The next highest average bill is Wessex Water at £412 and the national average is £343.

Ofwat has only recently, since the publication of the interim Anna Walker report, paid some attention to that disparity in water and sewerage charges. South West Water customers with water meters can look forward to a £6 fall in prices by 2015. That is not much, but it is a move in the right direction. Ofwat's action will also be of little help to unmetered customers, whose bills are set to rise by 29 per cent., taking their average up to £935 a year. While many more will move to metered billing, a number will remain who cannot have meters installed, the majority of whom live in blocks of flats. Their bills will increase exponentially, plunging thousands into water poverty. The £6 reduction itself will be little consolation to many of my constituents on low incomes who are struggling to pay the historically high bills. The south-west has some of the lowest incomes in the UK coupled with some of the highest housing costs.

The Walker review of charging for household water and sewerage services is long overdue. It has now published its final report and, rightly, there is an entire section dedicated to the unique problems faced by consumers in the south-west. Chapter 14 begins by reinforcing the underlying inequalities facing the region: the high proportion of pensioners; the large rural area to be covered; the lower disposable incomes and—importantly in terms of water costs—the domination of tourism in the local economy.

A great attraction in the south-west is its coastline; an estimated 18 million people visit the region every year, and research shows that at least 7 million of those visit specifically to go to the seaside. There is, therefore, an important challenge to keep the coastline clean. More crucially, in terms of water bills, the Walker report recognises the low asset base that South West Water started with at the time of privatisation. That has

[Mr. Sanders]

improved now that the clean sweep programme has been implemented. The company has the highest capital expenditure by far—over 150 per cent. of the average of the water companies.

Mr. Oliver Letwin (West Dorset) (Con): Will the hon. Gentleman give way?

Mr. Sanders: The usual courtesy is for the Member who initiates the debate to be informed if a Member wishes to intervene, but on this occasion I will give way.

Mr. Letwin: I am very grateful. Does the hon. Gentleman agree that there seems to be a strong case for some kind of spreading of cost, as the Walker report suggests, because the coastline is there for the nation as a whole, including all the tourists he mentioned?

Mr. Sanders: The right hon. Gentleman makes a point that has been made at meeting after meeting by the hon. Member for Plymouth, Sutton (Linda Gilroy), her colleague, the hon. Member for Plymouth, Devonport (Alison Seabeck), and Liberal Democrats. May I finish, because it is an important point. For example, we all contribute to the wonderful museums and galleries here in London that are a national asset—but they are based in London. The same logic should apply to water charges.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): The hon. Gentleman referred to chapter 14 of the Walker report. I am sure he understands that the Prime Minister put that in train several years ago following the affordability pilot. However, since the scale of the problem we were lumbered with 20 years ago is so big, does he agree that, equally, the solutions to it will probably come from more than one direction, as outlined in the Walker report?

Mr. Sanders: The hon. Lady is right and I shall cover some of that ground in a moment.

The report rightly states:

"These high…prices compared to the rest of the country cause the sense of unfairness. They also, of course, aggravate issues of affordability."

Fortunately, Anna Walker has suggested some potential remedies for that injustice. There is a clear financial imbalance in the way the water companies were set up at privatisation. South West Water customers shouldered a disproportionate burden of the programme to clean up our coastline and improve our bathing waters.

It is clear from the report's recommendations that retrospective financial redress is necessary, not least to fund the continuing cost of South West Water's investments. One remedy is a one-off payment, which, as the report states

"is equivalent to reducing the financial burden of the regulatory asset base per customer in the South West Water area."

That would cost approximately £650 million. Another alternative is an annual subsidy to South West Water. Walker estimated a figure of about £33 million a year. There are options on how to fund the subsidy: direct Government funding or a levy of about £1.50 to every household water and sewerage bill in the rest of the country.

Dan Rogerson (North Cornwall) (LD): My hon. Friend is making an excellent case, and I congratulate him on securing the debate and on all the work that he has done in the past. The scale of the figures that he is talking about shows the size of the investment that bill payers are being asked to make. That is the crucial point. If the Government cannot help with the lump sum because its scale in the current circumstances is so high, that shows what is being asked of ordinary bill payers in the south-west and, indeed, what has been asked of them during the past 20 years since the botched privatisation.

Mr. Sanders: That is certainly one conclusion that we could rightly draw.

On the matter of an annual or lump sum subsidy, while a one-off payment would go some way to redress the balance—as Walker points out, there are strong arguments in favour of a one-off adjustment—it would not completely rectify the long-term problems facing the region. A further subsidy would be necessary in the future, especially if we envisage a time when another widespread series of improvements are necessary. An annual subsidy would resolve that problem for the foreseeable future. However, those solutions throw up a wider problem surrounding fairness. Aside from South West Water, customers in Wales or Wessex are also paying above the average—in their case, £100 more per year than those, say, in the Thames Water area. If we are to adjust for inexcusably high bills in the south-west, why not in Wales or any other area? Would not the logical extension of the argument be that water bills should be equalised throughout the United Kingdom?

Julia Goldsworthy (Falmouth and Camborne) (LD): Referring back to what my hon. Friend said about the need for equalisation, does he agree that it is important that we deal with the problem now as a matter of urgency? In future, there will be a need for considerable investment in other parts of the country, and it might be the case that for other national goods the cost needs to be spread throughout the country. Would it not be a double unfairness for South West Water customers to have to pay for their retrospective costs while also having to help foot the bill for the other bill payers in the country?

Mr. Sanders: We need an answer, and we need it soon.

Of course, privatisation should not have happened to this industry. Water is not something that lends itself easily to competition on the free market. Indeed, all we have is a system of regional monopolies, unlike the other utilities, which have seen rigorous competition and benefits for consumers as a result of their privatisations. In effect, all privatisation has done is to siphon off funds to shareholders that could have been invested in a more effective clean sweep programme.

Mr. Hugo Swire (East Devon) (Con): Will the hon. Gentleman give way?

Mr. Sanders: Other hon. Members asked in advance, but I shall give way.

Mr. Swire: I am extremely grateful. I apologise to the hon. Gentleman for intervening. He is very generous. I totally agree with what he is saying. This is long overdue and most welcome. But would he not concede that historical costs involved pre-privatisation would have

had to be paid for by the taxpayer anyway, to do with the infrastructure work of South West Water—the Victorian ducts and so forth? Those costs would have had to have been met by the taxpayer in some way, shape or form, regardless of privatisation.

Mr. Sanders: Indeed those costs would have had to have been met, but they would have been equalised out across the whole of the United Kingdom. They would not have just fallen on those in the far south-west.

In my constituency, customers have not only suffered from high water bills, but a reduction in standards for the clean sweep programme. In the early 1990s, South West Water announced a £95 million project to provide a supertunnel for sewage from the three towns in Torbay. Not only would it have stopped any raw sewage entering the sea, it would have had more than enough capacity to deal with the flash flooding that has become more and more common. The Government of the day reduced the environmental standard required of the clean sweep programme, and so the Torbay scheme—effectively the last big capital works programme—was downsized. Consequently, we have a system of combined sewerage overflows that pollute the sea several times a year. For a tourist economy that in no small part relies on the cleanliness of its beaches and water, it is simply not good enough. Torbay can still boast more blue flag beaches than any other UK seaside resort. If the previous Government had not reduced the environmental standard, we would now be able to market Torbay as an area where every beach is a blue flag beach.

Even more worrying is the flooding that has become a common occurrence in parts of Torbay. The residents of Station lane in Paignton, for example, have suffered frequently as a direct result of the scaled-down clean sweep scheme. I ask the Minister to take separate and urgent action to bring a more satisfactory solution to solve the long-running sores of flooding and sewerage outfalls in my constituency.

Returning to the Walker report, there are recommendations, on which I hope the Minster will comment, that would be of benefit to consumers across the United Kingdom. Chapter 11 focuses on water affordability. The recommendations would help many vulnerable and low-income residents in my constituency: a 20 per cent. discount for those in receipt of tax credits and other benefits; a discounted tariff for low-income families with children; and reforms to the WaterSure scheme. All those will help. There is also scope for targeted water efficiency work interlocking with Warm Front and the decent homes initiatives. Walker recommends focusing these efforts on high water cost areas—the south-west, in particular. For the south-west there is the further suggestion of a seasonal tariff to take into account the population swell and increased water demand during the peak tourist season. Such a scheme is currently being piloted by Wessex Water, but this one focuses more on environmental than affordability criteria. The practicality of such a scheme across the far south-west, with en masse meter readings, is very doubtful. The potential solutions are not, unfortunately, quite as straightforward as they sound.

There will be a great deal of groundwork to be undertaken by Ofwat. For the overall system of redressing the financial balance, there will be, as Walker points out, a range of legal, technical, financial and economic issues. They will need to be contemplated, and financial corrections will need to avoid distorting markets and state aid considerations. Ofwat is best placed to advise Government on how to progress this, and I urge the Minister to instruct Ofwat to waste no time in looking into these matters.

There are difficulties with all the proposals, but the one with the most resonance and the most practicality is an annual levy on other water company areas to address the low customer base in the south-west. It would avoid state aid issues and appears the fairest option to pursue. I hope also that the Minister has had sufficient time to consider the report carefully, as he indicated he would in a parliamentary answer to me earlier this month.

The people of the south-west have suffered from the burden of high water bills for more than 20 years, and I hope that the Minister will give an indication today that such an injustice can finally be put to an end.

4.53 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I am very pleased to respond to this debate. I congratulate the hon. Member for Torbay (Mr. Sanders) on securing the debate and also on the considered and intelligent way that he made his points on behalf of his constituents and others in the south-west. I am pleased to see several hon. Members who have lobbied me intensively during my time as a Minister in the Department for Environment, Food and Rural Affairs. I am sure they lobbied my predecessors as well. I hope that my progress report today will reassure them.

It is worth pointing out that I responded last year to three separate debates on this issue, all of which were well attended. I could certainly forecast at that point that it would not be long after Anna Walker produced her final report that I would be here once again, and the hon. Gentleman has not disappointed me—quite rightly, too.

Since the last debate in October, we have made a lot of progress on water matters, as the hon. Gentleman said. Ofwat issued its final determinations of water price limits on 26 November, which will reduce bills by an average of £3 and a little more within the south-west. That is good, but it does not solve the underlying issues. Bills in the UK will fall by an average of £3 before inflation between 2010 and 2015. At the same time, critically, provision will also be made for £22 billion in investment.

On 22 December, DEFRA published river basin management plans for 10 river basin districts in England and Wales. The plans set out how we will achieve good water status for each lake, stretch of a river, estuary and coastline. To respond to the hon. Gentleman's understandable comments, several strands of work in the south-west river basin plan are directly relevant to him and his constituents. We are working with South West Water to investigate urban drainage systems to identify and remedy misconnections and other sources of diffuse pollution that are putting the quality of the coastal water at risk. Because planned development in the area will be concentrated around Torbay, future management of urban drainage in the future is an important consideration. We support how the SeaTorbay partnership is working to improve public understanding of and involvement in coastal wildlife and conservation.

[Huw Irranca-Davies]

On 19 November, we published the Flood and Water Management Bill. The Bill received Second Reading in the House on 15 December. Last Thursday it completed Committee stage, and Report and Third Reading are provisionally scheduled for 1 February.

Last but by no means least, Anna Walker published her final report on charging for household water and sewerage services on 8 December. It included a package of recommendations to DEFRA Ministers and Welsh Ministers. I am glad that the hon. Gentleman referred to the situation in Wales as well. Welsh constituents are covered not only by Welsh Water/Dwr Cymru but by Severn Trent.

I reiterate my thanks and congratulations to Anna Walker. I think that all Members appreciate the outstanding work that she and her team have done in grappling with a range of complex and incredibly difficult issues, not only in the south-west but nationally, involving the fairness of current charges. Her final recommendations reflect extensive and exhaustive stakeholder engagement, including workshops across England and Wales. Two were held in Plymouth, and I know that some hon. Members attended both the first and second to make their views known. The thoroughness of Anna Walker's work is reflected by a chapter in the report dedicated to the south-west. She recognised, as do we, that there are issues to be resolved.

Julia Goldsworthy: The Minister is absolutely right to say that the Walker report homed in on some of the issues in the south-west that cause the greatest problems for people on low incomes, but is water poverty not a national issue? Should the Government not consider it in the same way as fuel poverty? We would not expect fuel customers in the north-east to be responsible for their own winter fuel payments because it is colder up there. Surely, as a point of principle, we should not expect South West Water customers to pay for the fuel-poor; the burden should be spread nationally.

Huw Irranca-Davies: I will turn to the detail of the Walker recommendations and the possible way forward in a moment. Anna Walker rightly identified that, curiously, the issue in the south-west—she highlighted the causes, to which I will turn in a moment—could well in future be a burden somewhere else in the country. We do not want to replicate the mistakes of the past. If I have time, I will turn in my remarks to what discussions have taken place on the Flood and Water Management Bill in light of that. I will come to the hon. Lady's points in a moment.

Anna Walker concluded that the regulatory regime in England and Wales has served customers well over the last 20 years, but that we now face considerable new challenges across the UK. In particular, demand for water is growing and water supply is already under pressure across the south and east of England. On top of that, we face challenges such as climate change and water affordability.

The final report highlights that water affordability is a real issue for some households across the whole of the UK, but notably in the south-west. It therefore recommended a package of measures for the Government to consider how to help low-income customers. My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) made the comment that there is a package there, which is quite interesting. There are a range of possible solutions that she puts forward as a package.

Anna Walker proposed that the WaterSure tariff should be retained for low-income customers with high essential use for medical reasons, but that bills should be capped at the national or regional average, depending on which is lower. That would be paid for by regional water customers. She also suggested that all metered customers on certain means-tested benefits should be offered a 20 per cent. discount on their bills or, failing that, that a discount should be introduced for low-income households with one or more children.

Let me just add that during the Committee stage of the Flood and Water Management Bill, the issue of social tariffs operated by companies was raised. It was raised across the room by Labour and Liberal Democrat MPs. I agreed to take away and consider whether a new clause should and could be brought forward on Report to enable companies to operate social tariffs. I thought it would be interesting to put that on the table. The Bill is essentially concerned with the implementation of the Pitt recommendations. We are trying to deal with the issue of debt in water companies, which impacts on the wider consumer base, and if we can get it right, we may be able to do something about an enabling power around social tariffs.

Turning to the chapter in Anna's report on the south-west, I have acknowledged repeatedly in debates here and elsewhere that South West Water customers pay more for water and sewerage services than other customers do. This year, the average household bill is around £490, which is 43 per cent. more than the national average. Anna looked closely at why that is the case. She concluded that one of the key reasons that bills in the south-west are relatively high when compared to other parts of the country was, frankly, the poor state of the local sewerage infrastructure at the time of privatisation in 1989. The source of the problem goes back to the birth of privatisation and, I do not hesitate to say it, to the midwives who conceived this particular child. She found that South West Water had an underdeveloped set of assets due to the reliance on sewage disposal at sea, which meant that the region had the smallest regulatory asset base per property of any water and sewerage company at that point in time. That meant that South West Water had to spend a lot of money on infrastructure development to meet national standards, with the result that South West Water went from the company with the smallest regulatory asset base per property to the one with the highest, and here we are.

The cost of investing in the sewerage system in Devon and Cornwall, post privatisation, as the hon. Member for Torbay knows, has been met by the company's customers. Anna Walker identified a number of options that could potentially address that. One option would be a one-off financial adjustment funded by the Government to address the specific circumstances of South West Water at the time of privatisation. A further option that she identified was an annual transfer to the south-west from the Government. Alternatively, she proposed that bills in the South West Water area could be adjusted—either as a one-off, or annually—through contributions by other water customers across the rest of the country.

In addition to her more general recommendations on affordability, Anna suggested that households in the south-west could be helped by a seasonal tariff that would charge more for water during the summer months. That would take account of the fact that water use in the south-west in the summer is up by one third on the rest of the year. Anna Walker indicated that if water in the summer months was charged at three or four times the normal unit cost, then average residents' bills could be reduced by around £40 to £60 a year. However, I know that there is some concern about seasonal tariffs and their impact on the tourism industry in the south-west. I understand that. Under Anna Walker's proposal, water bills would increase for hotels, guest houses, restaurants and other seasonal businesses during the summer months. That brings us back to the question of what is the fairest way of charging for water.

Let me pose some questions that Anna rightly posed too. First, is it fair for local or national water customers, or the taxpayer, to pick up the tab, given that it is visitors to the south-west in the summer months who make use of peak-period water? Curiously, the analogy is correct. When I went on holiday to the south-west last year, I had north-east MPs say to me, "Whatever you do, you must make sure that you do not replicate the mistakes of the past and have us paying." It is a tricky one. Visitors to the south-west in the summer months during the peak period make use of the water and sewerage services. All I am saying is—I am not proposing this as a solution—that a seasonal tariff may offer the opportunity, as Anna proposed, to provide part of a fairer distribution of costs.

Mr. Sanders: May I focus on a part of the matter that is often overlooked? Visitors already pay a contribution through their accommodation tariff—all hotel accommodation is water-metered. Is it second home owners that we are getting at? I think that the tourism industry, which is still the biggest industry and the largest employer in Devon and Cornwall, would see the seasonal tariff as a stealth tax. I would like to knock that one off the table as soon as possible.

Huw Irranca-Davies: I hear what the hon. Gentleman is saying, and I am certainly not favouring one proposal over another, or even proposing a mix at the moment. As we take the matter forward, it is important that the hon. Gentleman and others, their constituents and the wider consumer representation base have the opportunity to properly wrestle with the recommendations and try to find the right way forward. I know that earlier today we were hopeful of securing, with a delegation led by my hon. Friend the Member for Plymouth, Sutton alongside honourable colleagues, a meeting with the Prime Minister. Unfortunately he has been delayed, as we know, by some other business. However, I understand that the meeting will be rearranged not only to raise the issue with him, but to secure—I am convinced that he will give this—his support for resolving the matter. Anna Walker was only one stage.

Linda Gilroy: The hon. Member for Torbay (Mr. Sanders) asked in his speech whether the Minister would refer the options for the south-west to the regulator. I know that the Government have to respond to the whole report and will take time to do that. Will the Minister please comment on that? Hopefully, we will be able to secure the Prime Minister's interest in doing so too.

Huw Irranca-Davies: Yes, I am happy to do so. As I said, things have progressed, and we are not waiting to get on with it. In our response to the final report, I and colleagues in the Welsh Assembly Government said:

"We welcome the publication of Anna Walker's final report of her independent review of charging for household water and sewerage services. Anna Walker and her team have done an excellent job engaging with stakeholders and tackling difficult issues around charging for water, fairness and affordability. We will consider Anna Walker's recommendations carefully"—

it is right that we do so—

"ahead of a full public consultation."

Also, in line with the specific recommendations that Anna made for the south-west, I have already asked Ofwat to consider and advise on the options for dealing with bills in the south-west.

Mr. Swire: Will the hon. Gentleman give way?

Huw Irranca-Davies: I am running out of time. Just to conclude that remark, Ofwat will be working with South West Water over the coming months to complete the task.

Mr. Swire: Neither my right hon. Friend the Member for West Dorset (Mr. Letwin) nor I were aware of the delegation to the Prime Minister. We have not been operating in a vacuum; we have been discussing the issue with South West Water and other stakeholders, which may or may not be of interest to people following the general election. Would it not be in order, as it affects all our constituents in the south-west, for the Conservatives to at least be invited to come along to the delegation, or is it a Lib-Lab pact?

Huw Irranca-Davies: Personally, I would have welcomed any representation that the hon. Gentleman and his party wanted to make. I would only point out that in the year and a half that I have been Minister, I have received no delegation, request for a delegation or representations from the hon. Gentleman and his party whatever. However, even at this late stage, I would welcome any requests for a meeting with me to express their views.

In conclusion, we are awaiting Ofwat's advice on Anna Walker's proposals on water charges in the south-west. It is, of course, for Ofwat to consider the practicality and fairness of these proposals ahead of advising Ministers and to decide how much time it needs to complete the task.

5.10 pm

Sitting adjourned without Question put (Standing Order No.10(11)).

Westminster Hall

Thursday 28 January 2010

[ROBERT KEY *in the Chair*]

Carbon Capture and Storage

[Relevant documents: Ninth Report from the Environmental Audit Committee on Carbon Capture and Storage, HC 654, Session 2007-08, and the Government response, Cm 7605, Session 2008-09.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mark Tami.)*

2.30 pm

Simon Hughes (North Southwark and Bermondsey) (LD): On a point of order, Mr. Key. When we had a similar debate not very long ago, I asked the Chair if a more logical sequence for speaking would be acceptable, so that after the Chairman of the Select Committee has introduced the report, the Minister can at that stage speak to the Government's reply, which is, obviously, the other document that is before us. It seems more logical for both the Select Committee Chairman and the Minister to present their case, as colleagues can then intervene and, with the leave of the House, the Minister can wind-up and pick up any other things. That strikes me as a better way of using our time.

Robert Key (in the Chair): Minister?

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): I am entirely in your hands, Mr. Key. I do not mind one way or the other.

Robert Key (in the Chair): I believe that a precedent has been set in that respect, so if the Minister is content, that is how we shall proceed. After the Chairman of the Select Committee has spoken, I will ask the Minister to speak. Would the Opposition spokesman like to speak after that?

Charles Hendry (Wealden) (Con): Towards the end.

Robert Key (in the Chair): Towards the end. Mr. Tim Yeo.

2.31 pm

Mr. Tim Yeo (South Suffolk) (Con): I warmly welcome you to the Chair, Mr. Key. You and I are some of the survivors of the 1983 intake but, alas, I think you have made a different decision from me about what to do at the next election. I am very happy with the order of speaking that has been proposed for this afternoon—it seems to have a logic to it. I obviously warmly welcome the Minister, my hon. Friend the Member for Wealden (Charles Hendry) who speaks for the Opposition, and the hon. Member for North Southwark and Bermondsey (Simon Hughes) who speaks for the Liberal Democrats.

I am delighted that the report has been chosen for debate. It was written quite a long time ago and was published in July 2008. For reasons I will explain, we had to wait quite a long time for a Government response, but the importance and topicality of the report is in no way diminished by the intervening 18 months. I look forward to debating it this afternoon. I hope I may be joined at some point by some members of my Committee. I do not think they are absent because they disagree with the report—it was passed unanimously and without much discussion—but I was hoping that one or two of them might be here this afternoon.

We chose to study carbon capture and storage because the world simply has a great deal of coal—an awful lot of which will get burnt. Coal happens to be one of the cheapest, but one of the most polluting ways in which to generate electricity. Having studied the climate change issue generally very closely as a Committee over the past five years, it is clear that although most of the technology that we need to decarbonise the world's economy—certainly in terms of the built environment and transport—already exists, the one crucial technology breakthrough we must have relates to carbon capture and storage, because of all the coal.

In Britain, coal is and will remain for some time a crucial part of our energy mix—it accounts for about a third of our electricity. Internationally, the use of coal is growing quickly. As they develop their economies, countries such as China and India are using up their coal. Globally, coal fuels about 40 per cent. of electricity generation. The International Energy Association expects demand for coal to grow by more than 70 per cent. in the next 20 years. Coal generates half the electricity in the United States, more than two thirds of the electricity in India and more than three quarters of the electricity in China.

As I said, electricity produced from coal is cheap as long as the industry does not have to take account of its emissions. I contrast the attitude to coal in past generations with, for example—I realise this might be controversial and not generally agreed with—the attitude towards nuclear power. Every opponent of nuclear power always makes, with some justification, great play about the cost of dealing with nuclear waste. However, nobody opposed coal because the costs that would need to be imposed in the future as a result of those emissions would be far greater than anything arising from nuclear waste, which, at least in a physical sense, is a small problem.

Simon Hughes: Of course, the hon. Gentleman is right, and the thrust of that argument is accepted. There is obviously a difference in the type and scale of the exercise involved in decommissioning nuclear power stations and ceasing to use coal-fired power stations, which is probably why the historic argument has been in one sector, but not the other. However, his principle is, of course, good.

Mr. Yeo: I accept the point about the decommissioning of the physical plant, of course.

The cost of building a coal-fired power station that captures the carbon dioxide it is producing is extremely high: it could be £1 billion for a 400 MW plant. The cost of transporting and storing carbon dioxide that has been captured is additional to those building costs. So electricity generated by plants with carbon capture and storage is, at least, currently much more expensive than the alternatives.

The large combustion plant directive was introduced to reduce sulphur dioxide and nitrogen oxide emissions, which will lead to the closure of about a third of

[Mr. Yeo]

Britain's coal-fired power stations. Any new plants will have to be fitted with scrubbers to remove those problems. If coal-fired power stations are replaced even with gas-fired generation, as happened in the previous dash for gas, it will do little or nothing to meet our longer-term targets for cutting greenhouse gas emissions. Of course, there is a short-term gain, because gas produces less than half the emissions of coal-fired electric generation. That will therefore help to meet short-term targets.

A further big switch to gas away from coal locks Britain into an emissions pathway that will ensure that eventually we fail to meet our longer-term targets. The crucial thing in relation to that is that decisions about what sort of new generating capacity we build in the coming decade will determine our emissions 20, 30 or perhaps even 40 years from now. If the carbon price rises sharply, as it may well do, or if emissions performance standards are adopted internationally, as they may well be, choosing the wrong technology now will cost us dear at a later date.

Carbon capture and storage has become an increasingly attractive policy option. It is clear that the first countries and companies to make it financially viable will have a huge first-mover competitive advantage. When we wrote our report, there was an active debate about the future of the Kingsnorth power station, and about plans for at least three other power stations that were thought to be in the pipeline. At that time, the cornerstone of the Government's policy on carbon capture and storage was a competition for a post-combustion demonstration plant at the 50 to 100 MW scale by 2014, to be scaled up to 300 to 400 MW as soon as possible thereafter.

Up to that point, I regret to say that progress on carbon capture and storage had been appallingly slow. The 2003 White Paper "Our Energy Future—Creating a Low Carbon Economy", which was published when I was shadow Secretary of State for Trade and Industry, promised what was called an urgent, detailed, implementation plan, and that a study to inform decisions would reach its conclusions within six months. Three years later, when my Committee considered carbon capture and storage as part of our report entitled "Keeping the Lights On: Nuclear, Renewables and Climate Change", we concluded that a plethora of reports gave an impression of activity, but that nothing had actually happened. A situation we justifiably described at the time as "scandalous". By 2007, the Committee reported in its annual pre-examination of the pre-Budget report that there was still slow progress on the CCS demonstration project and no progress on devising a financial framework.

Our most recent report expressed our deep frustration with the

"lack of progress on CSS."

We concluded:

"The lack of a clearer signal from Government... has slowed the development of CCS."

We acknowledged that some progress had been made, notably around the regulatory regime for the storage of carbon dioxide, but we called for an end to the indecision that seems to characterise the Government's approach. We pointed out not only that the indecision had been environmentally damaging, but that it was squandering any chance that Britain had to build a commercially valuable competitive advantage.

The Government argued that it was necessary to restrict the competition to focus attention on the technology that was most deserving of development and that would be easiest to retrofit. We supported their decision to focus on post-combustion technology but called for the demonstration programme to be extended. The Government told us that there was significant uncertainty on the costs, technical requirements and risks associated with CCS.

Our report concluded that the resurgence of interest in coal was failing to take account of the damaging environmental impact that would arise from running those power stations unabated, or unabated on most of their output, until CCS was proven. We said that opening the door to a new era of coal-fired generation was potentially very damaging, both environmentally and economically.

We also warned against abusing the arguments about energy mix. Investment in coal, even with the promise of CCS, must be the last resort. The Committee does not accept the Government's claim that new coal-fired generation has no impact on overall emissions because new coal-fired power stations would have to operate with the EU emissions trading scheme cap. We have debated that point at some length. In theory, that sounds all right on one level, but as we have argued in other reports, the Government should not rely on the EU ETS in that way because the emissions from a coal-fired power station do not disappear and have to be accounted for somewhere. It goes right against the intention and spirit of the EU emissions trading system, which was designed to reduce emissions, for the Government to use it as a cover to justify continuing to encourage, or at least allow, investment in the most polluting form of electricity generation. We said they should take more urgent and ambitious steps to develop CCS. They should also make it clear that unabated coal-fired power stations will not be allowed to operate in the longer term. Our view, incidentally, is absolutely consistent with what the Energy and Climate Change Committee has said since our report was published.

The Government have made much of the concept of CCS readiness, meaning the planning consent given when a new plant fulfils certain conditions that would enable CCS to be fitted at some point in the future. That has been included in a handful of gas-fired power stations. However, it was clear from the evidence we heard that, in the absence of a Government requirement that CCS be retrofitted, CCS readiness is pretty meaningless. There is no guarantee that CCS will ever be fitted to those plants, even when that is a condition of granting planning permission.

The price of carbon is currently far too low, and too volatile, to drive the necessary investment in CCS. Given the impact of the economic recession on the EU ETS, particularly on phase 2, the carbon price is likely to remain too low for several years, so we urge the Government to look at feed-in tariffs for CCS or some other funding mechanism.

Britain cannot meet its carbon budgets in the long term if it allows the prolonged operation of unabated coal-fired power stations. The Government should use some kind of emissions performance standard to terminate the most polluting forms of power generation and warn industry that unabated coal-fired power generation has no future. Given the failure of the Copenhagen summit

to reach international agreement about emissions reduction targets, more attention could usefully be paid to the international use of emissions performance standards, perhaps on a nation-wide, average basis, which would allow countries some freedom to decide on their energy mix, but within a gradually reducing emissions performance standard target. I believe that, as we do not have agreement on emissions reduction targets, we should examine how emissions performance standards could be introduced as a much less threatening mechanism for a developing country, because they say to them that we want them to improve the efficiency of their generation industry, reducing its carbon footprint, rather than put an absolute limit on it. At least that would mean that investment in new capacity would tend to take place in low-carbon forms of electricity generation.

Simon Hughes: Emissions performance standards have rightly been the subject of debate between all three main parties in the Energy Bill Committee. Does the hon. Gentleman remember—if not, perhaps he could check later—whether there was any correspondence between the Environmental Audit Committee and the European Commission, either during the Committee's inquiry or subsequently, on the compatibility of a national project for emissions performance standards with EU policy?

Mr. Yeo: The hon. Gentleman raises an interesting point. I do not recall any correspondence, but that is certainly a subject we touched on in our conversations with the Commission, and we intend to continue doing so, for the reasons I have already given. I emphasise, although it was not questioned, that I speak here in my capacity as the Committee Chairman, not for the Conservative party—many of my colleagues did not think I spoke for the party even when I was the shadow spokesman, because my views tended to be at the green extreme of the spectrum.

We published our report in July 2008. It took more than a year for the Government's response to appear, and when it eventually did it was published as a Command Paper. In October 2008, after the summer recess, we received a response from the Department for Business, Enterprise and Regulatory Reform, as it was then called, just as the Department of Energy and Climate Change was being created. I must say that members of the Committee from all parties were absolutely dismayed by the contents of DBERR's initial response, so much so that we wrote to the new Secretary of State for Energy and Climate Change and asked whether the Government would like to reconsider their response. We refrained from embarrassing them by publishing what had come from DBERR, which we would have been entitled to do and were happy to give the Secretary of State some time to, produce another response.

Meanwhile, it appeared that several policy changes were being made, some of which were announced in the 2009 Budget, and we were pleased to see that many of those changes took on board the Committee's recommendations. There was a further delay to the new response while DECC awaited the outcome of its consultation in June 2009 on the framework for the development of clean coal. By the end of July, a response was ready, but as the House had risen for the recess, DECC published it as a Command Paper in August. A few administrative hiccups in DECC meant that the Committee was unaware of the response until October 2009, when I was having a private meeting with the Secretary of State and he produced the document, which I had not previously seen.

However, in October last year, when he was giving evidence on carbon budgets to the Committee, he said:

> "I think your Committee wrote a very good report on this, which I think the previous Department disagreed with and I agreed with and, indeed, said so in my response."

We warmly welcomed that, and I congratulate the Secretary of State, with whom I agree on a whole range of issues relating to climate change. He has overseen, and probably led, a significant change in Government policy on that subject, and that is extremely welcome. I note in passing that if DBERR was capable, as late as October 2008, of producing a response of the sort it did for our report, it is dismaying to think how out of touch and backward looking sections of that Department must then have been.

Simon Hughes: Where have the civil servants gone?

Mr. Yeo: Indeed, where have they gone? No doubt things are very different under Lord Mandelson.

I welcome the fact that the published response to the report accepted many of our recommendations. It confirmed the Government's commitment to expand the CCS demonstration programme and set out what was being done to take forward the competition and support the development of individual CCS components. The Committee had called for a more strategic approach to the development of CCS, and the Government's response on a framework for the development of clean coal and the energy national policy statements provides some detail on its development in the UK.

The response also described the development of a strategy for the international development of CCS. It noted that the EU's ambition was to have 12 CCS plants operational by 2015, and a further €1 billion was made available for CCS projects in April 2009. That is welcome, but unless Britain advances its plans there is a risk that it will be other member states that build a competitive advantage in CCS. Other EU countries may position themselves better to make money from selling and installing CCS technologies in parts of the world where they must be fitted if there is to be any hope of getting global emissions to peak. There is therefore a risk that Britain will once again miss out on the chance to build a world-class industry because it has failed to harness UK creativity and innovation. That would be a tragedy in a field where the global market is potentially truly enormous, and I hope that the Minister will comment on that.

In their response, the Government stressed that coal still has a vital role to play, but Britain must be cautious about the investments that it makes in fossil-fuel-powered generating capacity, because there is a real danger that we could lock ourselves into a high-emissions pathway. If it turns out that we have made investments in assets that must be retired before the end of their economic lives, billions of pounds will have been wasted. Having said that, I welcome the Government's acceptance of the Committee's recommendation to step up efforts to drive forward the development of CCS and their recognition of a possible role for emissions performance standards.

[Mr. Yeo]

I also welcome their decision to scale up their financial support for CCS by funding up to four CCS demonstration projects.

Requiring any new coal-fired power station to demonstrate CCS on at least 300 MW of its operating capacity from day one, however, looks inadequate. Although that figure is much higher than the target for the original competition, it still probably represents only a quarter of typical output. At that level, we cannot be sure that we will get enough information to know whether CCS is technically and economically viable. Requiring new coal-fired power stations to retrofit CCS to full capacity within five years of its having been proven is the very minimum expectation that we should place on the industry. Preparing for the possibility that CCS will not be proven by considering emissions performance standards is another urgent matter.

In line with the Committee's recommendation that the demonstration project be extended, the 2009 Budget announced an extension covering up to four sites and including pre-combustion and post-combustion technology. Up to four means two to four, so at least one more site will be built then would have been built under the original arrangements, which covered only post-combustion technology. I understand from the Government's response to the Committee on Climate Change, which was published earlier this month, that they are considering only two bids, but that another round of the competition will be launched towards the end of the year. Perhaps the Minister can clarify that when he replies.

Mr. Kidney: Just to be clear, the result of the pre-Budget report is that it is now four projects, not up to four. I will say a little more about the second competition when I speak later.

Mr. Yeo: I am grateful to the Minister for that clarification. I hope that that means that the Government are confident that when they respond to the bids, we will be able to gain the information that we need to answer the questions about the technical and economic viability of CCS. I look forward to what the Minister has to say on that.

The Budget also announced extra research funding for companies in the existing competition. The recently published energy national policy statement recognised that CCS is unlikely to be built without financial support. It also recognised that planning consent will be given without reference to the allocation of funding, so more applications may receive planning consent than are able to secure funding. The Government have consulted on how a reliable funding stream can be developed for CCS, and there are proposals in the Energy Bill, which is currently before the House. Ofgem will have a role in relation to CCS and in managing the vehicles for funding and monitoring CCS demonstration projects, and I hope that the Minister can tell us a bit about what Ofgem has done to ensure that it has the right people and skills to fulfil that role. The Committee on Climate Change has made it clear that decisions on financing CCS will need to be taken in 2016 if finance is to be in place to support its roll-out in the early 2020s.

The framework for clean coal, which was published around the same time as the energy national policy statement, makes it clear that the Government's ambition is for CCS to be ready for widespread deployment from 2020. Once again, that ambition is the minimum that the Government should aim for—2020 is still quite a long way away. The Secretary of State made it clear that the framework's objectives are to advance the development of CCS, improve its affordability, ensure the diversity and security of energy supplies in Britain and create jobs and opportunities for UK businesses. I am sure that we all strongly endorse those aims.

The framework also envisages all new coal-fired power stations fitting CCS by 2025, which implies that some generating capacity may not do that for another 14 years. The energy national policy statement made it clear that the Government plan to report on the status of CCS by 2018 in the light of the progress made by the demonstration projects. That review will consider the framework in which coal-fired power stations would be constructed beyond the demonstration phase. If CCS is not proven, the national policy statement suggests that we will need a regulatory approach to managing emissions—one that is consistent with, and complementary to, the EU ETS and which might, therefore, be an emissions performance standard. Can the Minister reassure us that there will be adequate time to take all the necessary actions between the report on CCS in 2018 and the 2020 target date for CCS to be ready for widespread deployment?

The advice of the Committee on Climate Change makes it clear that power generation must be almost completely decarbonised by 2030, and it has talked about a 90 per cent. cut, which my Committee certainly endorses. If progress is made on CCS in 2018 and it is deployed on all new coal-fired power stations from 2025, that would appear at first glance to be consistent with what needs to be done domestically. However, the advice from the Committee on Climate Change is equally clear that global emissions must peak in the next five or six years, and certainly by 2020, if the world is to have any chance of meeting its climate change objectives. It therefore looks impossible for the UK's work on CCS to make any real contribution to efforts to achieve a global emissions peak by 2020. That is a disappointing outcome and it is the direct result of the neglect of CCS and, I am sorry to say, the scandalously lethargic attitude that the Government showed for quite a number of years, until they woke up a couple of years ago and started to do something.

Britain has not built a new coal-fired power station since 1974, but pressures on energy security, fluctuations in gas prices and the prospect, however distant, of clean coal technology have all increased interest in new coal-fired power stations. The irony is that CCS may have contributed to the resurgence of the prospects of coal.

CCS must play a decisive role in reducing emissions domestically and internationally. If we act too slowly now, the British effort to develop CCS will play no part in the effort to get global emissions to peak by the late 2020s; indeed, it may already be too late. Far more urgent action is needed if Britain is serious about gaining any competitive advantage on CCS. Active efforts are being made elsewhere, and what we are doing may be too little, too late compared with what our competitors are doing abroad. It remains unclear who bears the risk if CCS is not ready and what action will be taken if it is not proven. That uncertainty does not help to generate the investment that the Government are trying to encourage.

The initial delay in responding to my Committee's report was disappointing, but we welcome the fact that so many of our recommendations have been recognised in the reshaped CCS policy. There is some distance still to travel, and the Government must show that they are treating this issue with the urgency with which they promised to treat it way back in the 2003 energy White Paper. I commend my report to hon. Members.

2.58 pm

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): I thank the hon. Member for South Suffolk (Mr. Yeo) for his very fair presentation of the contents of the report and the events that have occurred since it was published.

The Committee's report on carbon capture and storage highlights the importance of CCS as an option for tackling climate change and ensuring our long-term energy security. It also raises a number of important issues, which the hon. Gentleman has discussed, and I thank him and his Committee for their clear and well-presented report, which has indeed assisted the development of policy in the ways that he described.

As the hon. Gentleman said, the report was published in July 2008. At about the time that there should have been a Government response, the Department of Energy and Climate Change was created, and there was some delay in producing a proper response. I apologise unreservedly for that delay and I hope that the response that was eventually published, as well as what I say today, will satisfy the Committee that its report has been given the consideration that it deserves and has influenced the direction of Government policy. I want to argue that we have made significant progress with our policies for clean coal and carbon capture and storage, much of which takes up the helpful comments made by the Committee in its report.

First, I want to set out why coal matters to the UK and the rest of the world. As the hon. Member for South Suffolk said, fossil fuels are an abundant and relatively cheap fuel, and they are likely to remain an important source of electricity generation. Coal power stations play a vital role in providing the UK with reliable electricity supplies, providing about a third of our electricity. They can be operated flexibly in response to variations in demand, and that flexibility will become increasingly important as we see growth in variable renewables such as wind power. Coal will also continue to power the growth of major economies such as China and India. In 2008 China and India were opening, on average, a new coal power station every week. The recently published "World Energy Outlook 2009" predicts that demand for coal-powered generation will increase by some 70 per cent. over the period to 2030. The hon. Member for South Suffolk quoted that statistic from the International Energy Agency. Coal is, therefore, clearly still an important fuel, and our dependency on it looks set to grow.

However, a coal-fired power station emits about twice the carbon dioxide of an equivalent gas-powered station. If coal is to remain part of the electricity mix and the world is to meet its climate change objectives, it is essential that CCS should become an established technology. We all enjoy, and will want to continue to enjoy, the high level of security of supply delivered by the integrated national electricity system, but it has to be low carbon, and so we all stand to benefit from the development of CCS. I remind hon. Members that CCS has the potential to reduce emissions from fossil fuel power stations and industrial installations by around 90 per cent., while at the same time enabling fossil fuels to continue to be an important element of a secure and diverse energy mix. CCS can also create economic opportunities for the UK and reduce the cost of tackling climate change.

Simon Hughes: The 90 per cent. figure that the Minister has just quoted is a familiar one in Government statements, and we have heard it often. Is it a technically concluded figure? Is it the scientific assessment that the kit would be able to do only that, or is it the best estimate of the likely acceptability to the owners of the plant? I am just trying to probe what evidence has been given for that figure.

Mr. Kidney: Clearly, we are talking about a technology that has not yet been proven to work, so I certainly cannot say that I am going by world experience. That figure is what the people who put forward the technology predict will be its efficacy. I take the hon. Gentleman's point that we should be guarded about accepting it. Nevertheless, as he said, it is the accepted figure across the industry.

Those factors explain why any credible strategy for tackling climate change must include the development of CCS technology.

The 2005 G8 summit at Gleneagles introduced a package of measures to combat climate change, one of which was to develop cleaner fuels and accelerate the development and commercialisation of CCS technology. Since then, we have made enormous progress in the UK to achieve that. In 2006 we launched a call under the Environmental Transformation Fund for projects demonstrating carbon abatement technologies, followed by a second call in 2009. There are now such demonstrations in this country. In 2007 we launched the first competition in the world to build a commercial-scale CCS project. Through the Energy Act 2008 we created a comprehensive regulatory regime for the storage of carbon dioxide in geological formations. Again, we were the first country in the world to bring in such regulation. Through the Climate Change Act 2008 we increased our 2050 target for a reduction in greenhouse gas emissions to an 80 per cent. cut on 1990 levels. That legally binding target is an ambitious plan showing that we are wholly committed to creating a low-carbon economy, in which CCS will play an important part.

In summer 2009 the Government published the UK low carbon transition plan, which plots how the UK will meet a 34 per cent. cut in emissions on 1990 levels by 2020. The transition plan takes a cost-effective route to reducing carbon and is the most systematic response to climate change of any major developed economy. Our plan includes the development and eventual wide-scale deployment of CCS.

In April 2009, ahead of our low carbon transition plan, we outlined our proposals for a new regime for new coal-fired power stations, and we launched a consultation on the detail of those proposals in June 2009. In November 2009 we confirmed our policy for a new financial and regulatory framework to drive the development of clean coal. Those policies are the most

[Mr. Kidney]

ambitious for clean coal and CCS anywhere in the world. All new large combustion power stations in the UK already have to be constructed in a way that ensures that they are meaningfully carbon capture ready. I take to heart the strictures of the Committee about what carbon capture readiness means, in relation to the advancement of the technology. Nevertheless, the requirements go considerably beyond European requirements, and require the developer to undertake an assessment of the technical feasibility of retrofit, transport and storage options, as well as providing for sufficient space for the capture facility.

Since November 2009 no new coal power stations may be built without the demonstration of CCS. That is backed up by a significant increase in the scale and ambition of our demonstration programme for CCS. We have now committed to support a world-leading programme of four commercial-scale CCS demonstrations. Both pre-combustion and post-combustion technologies will be demonstrated under the programme, and that reflects one of the Committee's recommendations.

Simon Hughes: At the top of page 4 of their response to the Select Committee report the Government say:

"Later in 2009, we plan to publish a CCS strategy that will consider"

an agenda of items, the first of which is

"international development of CCS, including in the EU".

Was that document published? Has its publication been delayed, or has it been subsumed in the consultation response to the framework for the development of clean coal? Unless I have missed something, I do not think I have seen it.

Mr. Kidney: The hon. Gentleman in a sense steals my thunder and lets out the air in the tyres of my vehicle. That document is due—overdue, because it did not come out in the calendar year 2009—and is about to appear. I shall say more about it in a moment. It will include the list from the Government's response to which the hon. Gentleman has referred.

Our demonstration programme will provide the platform for the necessary long-term transition to clean coal. Our ambition is to have CCS ready for wider deployment from 2020 and for any new coal plant constructed from then to have full CCS from day one.

Many hon. Members, like the hon. Member for South Suffolk today, have referred previously to the Energy Bill and its progress. The Bill was introduced in November and will put in place a new legislative framework, which is needed to deliver our programme for CCS. Specifically, it will create a new financial support mechanism for CCS, funded through a levy on electricity supplies. Such legislation is the first of a kind and will ensure the availability of financial assistance that could be worth up to £9.5 billion over the coming two decades. That is the largest single investment in CCS of any country in the world, including the United States. The Bill also includes provision for funding to retrofit supported CCS projects. That is a significant step towards ensuring that we prove the technological and commercial viability of CCS for current and future power stations. We will expect demonstration project plants to retrofit CCS to their full capacity by 2025, with the CCS financial incentive able to provide support if needed.

One theme that came through strongly in the report and was also mentioned by the hon. Member for South Suffolk is the perception of a lack of progress on CCS over the past decade. I strongly reject such claims. We have made enormous progress in several areas, which have been in line with the Committee's recommendations. As I have already mentioned, the Government's demonstration programme is among the most advanced and ambitious of any in the world. It is tempting, I know, to compare progress in the UK with that in other countries. However, I want to make two points about that. First, this is not a race. The Government welcome and positively encourage other Governments to develop their own demonstration projects. To that extent we have been instrumental in encouraging investment and progress in the demonstration of CCS, both in the G8 and in the European Union.

Secondly, some other countries have been quicker to announce the results of their equivalent competitions than the UK, but those countries promise more with less funding than we have earmarked in the UK.

The UK is leading international efforts on CCS through active engagement in many forums. Shortly after the G8 summit we established the North sea basin task force with Norway, looking at what steps the North sea basin countries might need to take to enable storage under the sea bed.

In 2005 an agreement called the near zero emissions coal initiative was made between China, the EU and the UK to demonstrate CCS technology in China by 2020. Following the first phase, which was to carry out research, this initiative has now moved into its second phase, which will be to select a project before moving onto the construction of the plant some time between 2015 and 2020.

The carbon sequestration leadership forum was established in 2003, bringing together ministerial-level members to develop the technologies involved in CCS. In October 2009, the UK jointly hosted the ministerial-level meeting where agreement was reached that more than 20 industrial-scale CCS demonstrations could be needed by 2020. The UK is a founder member of the recently created Global Carbon Capture and Storage Institute, established in 2009, which brings together more than 20 national Governments and more than 80 leading organisations.

In the UK we need the trinity of low-carbon fuels—renewables, nuclear and clean fossil fuels—to meet our energy needs. Internationally, there can be no solution to the problem of climate change without a solution to the issue of coal emissions. Many of the UK's coal plants are ageing and due to close between the mid 2010s and mid 2020s. New coal power stations are important to maintain the diversity and security of energy supplies, but only if their emissions can be managed. CCS is the only suite of technologies that has the potential to substantially reduce emissions from fossil fuel power stations. But we fully recognise the challenges and know that achieving our ambitions for clean coal will not be easy.

Each step of the CCS chain—capture, transport and storage—has been demonstrated and separately shown to work, but significant technical and cost challenges are to be met before CCS can be widely deployed. The Government's commitment to an extensive demonstration programme is intended to address these challenges.

A rolling review process, which is planned to report by 2018, will consider the appropriate regulatory and financial framework to further drive the move to clean coal. In the event that CCS is not on track to become technically or economically viable, an appropriate regulatory approach for managing emissions from coal power stations will be needed. Again, this puts into effect the Committee's recommendation 11.

I cannot stress enough that the importance of CCS is many sided: it will bring not just environmental and energy benefits, but benefits for our economy. It is also important to recognise that CCS is not only applicable to power stations. Any large static source of emissions could potentially benefit from this technology. Taking all these opportunities together, it has been estimated that the CCS industry could sustain up to 60,000 jobs in Britain by 2030.

I pay tribute to regional development agencies and others who are working on the potential for CCS in their own areas. This is true in Yorkshire and in the north-east. I visited Durham Energy Institute last week and met Professor Jon Gluyas, who occupies what he claims is the first chair in the world for carbon capture and storage, although I think some other UK institutions would challenge his suggestion that that is the best position on carbon capture expertise, even in this country—Edinburgh comes to mind instantly. Nevertheless, that shows the enthusiasm at regional level to make a success of something that is important nationally and internationally.

Looking forward beyond 2010, we plan to release a CCS strategy this year, considering the international development of CCS, our business opportunities and jobs in this country, infrastructure development, the skills that are needed, capacity building and technology development. We have also announced the creation of an office of carbon capture and storage, about which we are currently consulting stakeholders to determine its role and objectives. In the December 2009 pre-Budget report we also confirmed that the UK will fund four demonstration projects, including our current competition that was launched in 2007. We plan to commence the selection process for the further demonstration projects later this year.

Simon Hughes: Returning to my previous question, which the Minister mentioned in his last paragraph, he said that a CCS strategy is in the pipeline, which is welcome even though it is slightly delayed. May I ask him the same question that the hon. Member for Wealden (Charles Hendry) and I asked him about another document during the Committee stage of the Energy Bill? Will it be possible, and is it not logical, to have that document in the public domain, as with the document that the Government are preparing on warm homes, in time for us to consider it before Report and Third Reading of the Energy Bill?

Mr. Kidney: Because the hon. Gentleman and the hon. Member for Wealden (Charles Hendry) have raised this matter with me in Committee in respect of household energy management strategy—not today's subject—I have experienced the delights of speaking to Whips about the management of business. I am an older man for having done that and I went greyer as I did so. Therefore, I am not going to answer the hon. Gentleman's question in his terms, but I shall say that we are excited about that document, which is important for future development and, as the hon. Member for South Suffolk said, it is important to capture as many benefits of this process as possible for this country's future well-being, including its economic well-being. I am anxious that we all see that document as soon as possible and we are impatient about introducing it to the world. We will do so when we can.

We are moving swiftly onwards with the progress of CCS and I hope that today's debate helps allay any concerns that hon. Members have raised and gives confidence that the Government are committed to the delivery of an ambitious programme of four commercial-scale CCS projects by 2020, and to ensuring that appropriate technical, regulatory and commercial frameworks are developed with timely, informed decisions taken to put them in place. To take CCS forward we must raise its profile publicly. I am sure that all hon. Members agree that gaining cross-party support on this issue will go a long way towards gaining the public's backing and acceptance.

I am conscious that the hon. Member for South Suffolk has asked several questions to which I am willing to respond, but I have been asked to reply to the whole debate at the end. I propose to save my response to those questions and to those asked by other hon. Members until the end of the debate. I hope that that is a suitable way to conclude.

3.18 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): The report that we are discussing is important and good. I was about to say that I was sorry that the Committee Chairman was not supported by Committee members, but the hon. Member for East Dunbartonshire (Jo Swinson) has just arrived, which is good because, as hon. Members have said, we are considering not just an important report, which should be discussed, but the Government response, which was eventually published, and the progress that has been made since the report was published, which has been set out.

Things have moved on since the report's publication, arguably with the substantial assistance of that report's considerations. That is a credit to the report and its contents. I say that things have moved on, but in the next few years, we want to pursue an energy strategy that is coherent; that keeps the lights on; that moves us towards an almost complete decarbonisation of our energy supplies by 2030; that keeps us on track for our 2050 climate change targets; and that keeps us within our carbon budgets as set out by the Climate Change Act 2008. Action is clearly imperative very soon if we are to ensure that our energy supplies decarbonise in that way, but also remain in place. I shall perhaps go into that further in a moment.

Although it is stated that the carbon capture and storage schemes currently being considered by the House in the Energy Bill are pilot schemes, two things are evident to me. Although a number of people say that those are experiments to see whether carbon capture and storage really works, they are essentially schemes of scale. They are about putting together the components that have already been proven in order to demonstrate that the entire system of capture, transport and

[Dr. Alan Whitehead]

sequestration works on the scale that will be required in the next few years. In that sense, they are not experiments, because we know that the components work. They are about ensuring that overall, the system works as well as it should. Four plants will be fitted with either pre-combustion or post-combustion processes. Ensuring that they open, operate and sequester their carbon is at the heart of what happens with regard to our future energy policy and the use of mineral fuels of any description.

When we talk about mineral fuels, we need to be clear on what carbon capture and storage is about in the first instance. As the Committee on Climate Change says,

"there is a longer term role for unabated gas generation reflecting lower emissions intensity and a potential role as back-up generation. The clear priority is therefore for early application of CCS to coal generation."

That is the degree to which we should concentrate on carbon capture and storage, as regards coal generation. Should we have any coal-fired power stations in future? If we do—if we build any—in what way will the emissions from them, which clearly would be unacceptable if they were unabated into the 2020s, be addressed? In what way can those new coal-fired power stations be brought on stream? How can we ensure—the hon. Member for South Suffolk (Mr. Yeo) emphasised this point—that they are not assets that are stranded and decommissioned early in their life, and that therefore do not play a role in our future energy supply?

The Committee on Climate Change also states that

"there is no role for unabated coal-fired generation beyond the 2020s on the way to an 80 per cent. emissions reduction in 2050".

It emphasises that it anticipates that any coal-fired power stations existing at that point would be abated. That gives rise to fairly profound considerations about what happens to our energy supply in the next 10 to 20 years. One consideration relates to the assumption that with carbon capture and storage, not only will there be a number of new coal-fired power stations built but, as importantly, the coal-fired power stations that do not close under the European large plant directive in 2015-16 may continue to operate for some time. What will happen to those particular coal-fired power stations in our energy economy during that latter period? Do they simply close because they cannot abate? Do they continue, with restricted hours? Or do we simply, whatever Government are in power at that stage, collectively throw our hands up and say, "Well, they are essential to the energy economy, so they had better continue," even though we know that their emissions will be quite disastrous for any of our targets on carbon reduction for 2030 and certainly 2050?

Jo Swinson (East Dunbartonshire) (LD): I am listening to what the hon. Gentleman says with great interest. Does he not think that that perfectly illustrates the dilemma faced not only in the UK, but in the international context? If we do not manage successfully to get retrofitting technology that can be applied to all manner of coal plants, it is not just a few coal plants in the UK that might be disastrous for meeting our targets; if we consider all the coal-fired power stations in China and all the other parts of the world, we are on a path of certain destruction.

Dr. Whitehead: The hon. Lady is absolutely right. I am referring in the first instance to 10 coal-fired power stations that will continue to operate after 2015-16 in the UK; they are currently operating. Most of those are pretty old coal-fired power stations, and a number of those will expire of their own accord in the years not too far after 2015-16, but some, such as Drax, will, it is supposed, have a life well beyond, say, 2020. Alongside the coal-fired power stations closing in 2015-16, a number of oil-fired power stations will close under the large plant directive. Six are currently operating; they will all close.

That is significant not just in the UK, but for coal plants across the world. The hon. Lady is right: it is bad enough if we have unabated coal continuing into the 2020s in this country, but if that continues across the world, the chances of world energy supplies decarbonising as a whole will be zero. As far as the plants' continuing emissions are concerned, if the plants continue, it is essential that they are effectively decarbonised by wholesale retrofitting and/or have limits placed on the total amount of power that they can generate in any one year. That is very important because unless we fundamentally change the way we operate the UK energy market, we will continue to have a system whereby calls for power are made to energy suppliers via a central balancing mechanism, which will involve a combination of very long-term contracts, shorter-term contracts and what one might call panic contracts, the contracts that deal with the peak of power use—metaphorically, at half-time in the cup final. Smart grids and various other devices will do a great deal to smooth those peaks. Nevertheless, the idea that there will be very long-term contracts, medium-term contracts and very short-term contracts will probably continue in the UK energy market.

One of the so-called benefits of the BETTA—British electricity trading and transmission arrangements—system with regard to energy market balancing and contract offers and acceptance is that power stations that would not normally provide major input into the load of energy on the British energy markets do not become stranded assets and do not close immediately. They play an increasingly peripheral role in the energy market, but some of their energy can be called on at peak periods if necessary. We find already that the oil-fired power stations that will close in 2015-16 have a very small run-time per year; they come on only at peak periods. A number of the older coal-fired power stations do the same. However, if those power stations simply disappear over the next 10 years, we will probably have to invent new back-up plants to ensure that our margins are large enough to give security of energy supply, enabling us to call off power at peak times.

Of course, we cannot do that with nuclear power because it cannot be turned off. It continues to provide power; it has to provide long-term contract base-load power, and cannot do otherwise. We can do that to do a considerable extent with shorter-term contracts for renewables, but we are facing an energy economy. There could be a penetration of wind into the energy economy of some 30 per cent.—a large amount of clean, good power, but not necessarily there when we want it. Whether we move to a storage energy economy, with call-off from storage, or have those plants operating as a continuing back-up is a big question for future energy policy.

However, if we use some of these plants as back-up, we return to the question raised by the hon. Member for South Suffolk of whether plants should be regarded as stranded assets, disappearing before the end of their time, or whether they should live out their natural lives as amortised assets that can provide an input into the energy economy.

If we do not have methods whereby those plants can retain a role in the energy economy over time, the Government, or private energy suppliers, will inevitably have to build a generation of plants to provide a marginal input into the energy economy. Curiously, they would never earn their keep. We would have to mothball them before they came to the end of their natural lives. We would positively have to build new back-up. That, it seems to me, is a difficult prospect to contemplate, given how the energy economy is likely to change over the next 20 years.

Keeping those plants in some form of operation is important in terms of balancing the energy economy, but the dilemma is that if those plants continue unabated, it will be inimical to our climate change targets. We need schemes to ensure that new plants are fully abated by a certain time. If new plants are to be commissioned, whether or not there is initial substantial underwriting with respect to carbon capture and storage, money will still need to be put into commissioning, investing in and developing those plants.

We need to be clear that new plants will be fully abated after a certain period. My hon. Friend the Minister underlined that after a certain time, new coal-fired plants will have to be fully abated. We should also make it clear that, should existing plants stay in our system, they, too, should be progressively abated. That, it seems to me, should be an important part of our carbon capture and storage policy.

If that is our aim, we must ask whether we can ensure that, over time, plants are made reasonably financially secure and have carbon capture and storage attached, and whether they can they do that in the time available. There are two problems related to that. First, I doubt whether those plants can simply rely on the carbon price to make carbon capture and storage, and particularly retrofitting, part of their operation. Over time, we therefore need to be prepared to ensure that, in one way or another, the underwriting is there.

We trust and hope that phase 3 of the European Union emissions trading system will produce a significant and sustainable rise in the price of carbon, perhaps through a carbon price floor. It is difficult to envisage only one country having some form of carbon price floor, because it will be exporting money to those countries that take advantage of it, at least under a European system. A carbon price floor, or some other method of ensuring that carbon capture and storage can be retrofitted, and ensuring that those plants can operate over time, is an essential aim over the next few years.

Secondly, we need to ensure security at the storage end of CCS. That is not mentioned as being part of the process; it is assumed—indeed, it has been stated on occasions—that we are extremely fortunate compared to other countries. Provided one builds new power stations reasonably near the coast, particularly the North sea coast, getting the captured carbon piped and sequestered is easier, given the number of redundant oil fields that we have in the North sea.

That is partly true, but the analysis done for the Committee on Climate Change by Pöyry Energy Consulting demonstrated that in general terms there will be enough depleted gas and oil fields, stretching out to 2030, for 10 GW capacity of coal CCS. That will give sufficient space for storage from all pilot plants, and will allow for full sequestration from the new energy plants.

I turn to the serious retrofitting of existing coal-fired plants. As I said, more than 20 GW of plant will continue after 2015-16, although Pöyry suggests that that may not be the case; it depends on when the plants go out of commission and at what rate carbon dioxide is sequestered. However, the sink size of the depleted oil and gas fields available by 2030 may not be sufficient to take all of that sequestration.

At that point, it will be necessary seriously to consider aquifer storage—that is, depleted aquifers and saline aquifers underground. That is a slightly different picture, in as much as the science on such storage is by no means as clear. The geological surveying of aquifers is not as good as that of depleted oil and gas fields. In the not-too-distant future we must move ahead on that front, in addition to the rapid progress that we are making on CCS technology for retrofitting, pre-combustion and post-combustion.

We must ensure that we are able to store in both depleted oil and gas fields and in aquifers; again, we are fortunate to have a plentiful supply of the latter in many parts of the UK. We must get the science right for that, too, so that we can not only store in the immediate future, but can deal with the long-term storage capacity for full retrofitting for coal—and, in the longer-term, the retrofitting of gas-fired power stations, which will eventually be necessary to balance our energy economy. By then, it will be very décarbonised indeed.

I commend this report, the Government's response to it and the tremendous progress that has been made in carbon capture and storage. None the less, I do not underestimate the work that has to be done. The prize of ensuring that we in this country can use a mix of energy that is secure and substantially decarbonised, and that reaches our targets in the years to come, is one that we should acknowledge and reach out for. Hopefully, we will be successful in decarbonising our energy economy in the years to come.

3.40 pm

Mr. David Anderson (Blaydon) (Lab): Let me start where my hon. Friend the Member for Southampton, Test (Dr. Whitehead) left off, and let me say that I welcome the report. The hon. Member for South Suffolk (Mr. Yeo) was quite right to be critical of the delay in the report. It is not just his Committee that has been affected; as the chairman of the all-party group on coalfield communities and as co-chair, along with the hon. Member for Northampton, South (Mr. Binley), of the all-party group on clean coal, I have been very concerned about the delays in the report. For both all-party groups, this is not just a theoretical matter—it is real life. The APG on clean coal deals not only with the industry but with people who will, hopefully, take the process forward. As for the coalfield communities, a

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lot of the work that results from that process will be work that people in those communities will get involved in. Over the past year, the setting up of the Department of Energy and Climate Change has been a key feature, and it has moved things rapidly forward. We must welcome the work done by the Secretary of State, and by the Minister who is with us today.

The reality is that we live in a world where people demand not only more and more clean energy, but more and more energy. It is a very tough circle to square, but we must do it. I am talking about not just us in this country, but people across the world. At present, 81 per cent. of the energy that is produced across the world is directly provided by fossil fuels. The truth is that coal is not going to go away; it will continue to be used across the world and, more than likely—in fact, certainly—in this country. If we consider the sobering fact that a 1,000 MW coal plant generates something in the region of 6 million tonnes of carbon dioxide a year and will probably last for about 40 years, we can see the size of the problem.

As for resolving the problem, the Minister spoke about some of the avenues that are available. Nuclear energy is a possibility, as is the development of additional renewables. He missed out the key option, however, but I know that that is not because he does not believe in it. The key option is making what we do—in our homes, as regards transport and so on—more efficient. Key to that is the work being done in north-east England on the development of electric cars, of which the Department of Energy and Climate Change and the Department for Business, Innovation and Skills are very supportive. We cannot ignore the fact that fossil fuels will be needed and, to some extent, they should be welcomed in this country, but only if we get CCS right. My hon. Friend the Member for Southampton, Test, talked about the unabated nature of power plants; we cannot accept anything other than the full abatement of power plants going forward. We really need to know what we are talking about.

The reality, as is mentioned quite often, is that different parts of the CCS jigsaw are already in place. Earlier this week, a group of us visited BP in Sunbury, and we were given some really strong examples of where BP is working, across the world, to store carbon dioxide. A million tonnes a year are being stored in Salah, Algeria. The Sleipner field in the North sea off Norway has been successful. BP is piping carbon dioxide 200 miles overland from North Dakota and storing it underground in Westbury in Canada. There are also successful projects in Germany and other parts of the world. The Carbon Capture and Storage Association says that there are 50 sites in the world that are successfully storing carbon dioxide, so things are up and running as regards one part of the circle.

One of the things that is missing, which we do not talk about and which is never mentioned in the CCS debate, is the "T" word—the transport or transmission of the waste product. We have to get the carbon dioxide emissions from the power plant to where they are to be stored. Earlier this week, the Energy and Climate Change Committee said that that was one area that was not covered fully in the national policy statement. I believe that the matter will come back from the Select Committee for the Minister to consider.

If we are really serious about ensuring that the process is accurate and supported, we should seriously consider putting transmission of carbon into a national policy statement, so that it clearly forms part and parcel of the planning regime. There is no doubt about it: we might successfully go through local planning procedures; use the national policy statements so that the Independent Planning Commission can come to a view on whether a power plant should be built in a particular area; and tick all the boxes, but we must apply the same rigour to the transmission system. We need closer scrutiny of how it is being transmitted, whether it goes directly out to sea, goes underground through pipes, or is transported into ships and taken further out. I hope that we look seriously at the issue when we and the Minister come back to it following a report from the Energy and Climate Change Committee.

Another issue raised by the Select Committee is the potential problems to do with the phrase "carbon capture readiness" in the national policy statement. There is a real fear within the industry that its ability to build any plants—apart from the demonstration plants—will be restricted. That will lead to a situation where we will have the four demonstration plants working successfully within the next 10 years or so, but no others will have been built. Only when the demonstration plants are proven to work successfully, will people say, "Now we will start building."

The industry believes that the wording in the NPS makes it difficult for it to show to the IPC's satisfaction that a plant is viable. The truth is that, at this moment, the industry does not know whether a plant would be commercially or technically viable. I refer the Minister to the submissions put forward by the Scottish and Southern Energy group on that matter; again, that will be part and parcel of the Select Committee report.

One of the real benefits that will emerge from the CCS debate, and one of the reasons why we should go for CCS big time in this country, has to do with security of supply. The UK has huge reserves of coal. Since 1853, somewhere in the region of 23 billion tonnes of coal have been extracted from this country. It is a huge amount of coal, but it is less than 10 per cent. of the estimated total. The Coal Authority estimates that there are still 190 billion tonnes of coal beneath the UK. Clearly, much of that would not be accessible using traditional methods. Later on, I will discuss how it can be accessed.

One of my real concerns is what is happening in this country. In 2007, we were burning 43 million tonnes of imported coal, two thirds of the total. We were burning around 65 million tonnes, but 43 million tonnes of it came from abroad. Some 22 million tonnes of that came from Russia, at a cost of more than £2 billion. I raise the issue because Russian coal is cheap. Life is cheap in Russia. Seven people die for every million tonnes of coal mined in Ukraine. We would have to go back to the 1880s in this country to see death rates per million tonnes that high. In China, the rates are slightly better: only four people are killed for every million tonnes of coal mined. The official figures show that 6,000 people die in the coal mines every year in China, but most people accept that the official figures are a million miles away from the truth. The equivalent in this country was back in the 1920s.

As well as having a discussion about security of supply, this country should have a discussion about morality of supply. If we were talking about slave labour, children sewing footballs in Pakistan or sweat-shops, we would ban the relevant imports, but no one is talking about banning the import of coal from regimes that are politically unstable and that use methods that are out of this world.

There are a number of huge issues to be considered. There is the cost-versus-value debate. What is the value of a miner's life in China or Russia? The figures suggest that it is not very high. In a recent debate in the House, I asked the hon. Member for Wealden (Charles Hendry) what he thought about the implications of the run-down of the coal industry in this country. His response was that we have had 20 years of the cheapest energy in Europe. Yes we have, because we have been burning coal on the back of the fact that thousands of people are being killed. That is not a cost that we should be happy to pay. The fact is that cheap coal has come to this country because other people abroad are working in desperate and unsafe conditions, and they are dying unnecessarily.

I want to ask the Minister whether he can fill us in on what is happening to the demonstration projects. Four demonstration projects are being put forward. We are led to believe that the market does not think that it should pay for them. One of the arguments that is always used when public bodies are transferred to the private sector is that when they transfer out, the risk is transferred out, too. I imagine that the private sector does not want to take the risk at the moment, so it is asking us to bear it.

When the Minister replies, will he give us some idea of what he expects the public commitment to the promotion of the demonstration projects to be, and what he expects the contribution of private companies to be? It seems quite clear that the private companies have us over a barrel; we have no choice but to go ahead with the projects. However, it leaves a somewhat bitter taste in my mouth, having spent 20 years of my life working for the National Coal Board.

It is quite clear that we need to drive forward carbon capture and storage, but we also need to look at the benefits of other projects. One of the projects that is being promoted in the north-east, through Newcastle university, One NorthEast—the regional development agency—and the Association of North East Councils, is the development of underground coal gasification. There is huge potential in the north-east for UCG. It has already been established that, off the north-east coast, there is the equivalent of the annual world production of coal, which could be accessed if UCG proves to be successful.

On a number of occasions, I have had discussions with the Secretary of State for Energy and Climate Change on the issue, and I have asked questions on the Floor of the House, and the Secretary of State has told me that his Department is seriously considering supporting a strategic environmental assessment for the area off the north-east coast. This week, I spoke to Newcastle university to find out to what extent that assessment has happened. The university's response was that it had recent meetings with civil servants from the Department of Energy and Climate Change, but it has still not got the agreement to go ahead with the commissioning of a strategic environmental assessment. The Department has not said no, but quite clearly it has not said yes, and the longer it does not say yes, the longer there will be concerns about whether the assessment will happen.

The key thing about the work being done in the north-east on UCG is that it is supported by business and, as I have said, by the RDA, which has done a tremendous job in the north-east, just as the Yorkshire Forward RDA has done in the Yorkshire area, particularly with its superb work around the Humber estuary. The Association of North East Councils is another key supporter of UCG, which could be a huge success. If we can prove that UCG works, it will allow us to access coal seams that we would never have been able to access through traditional mining methods. It would also be much less labour intensive and much less costly than traditional deep coal mining.

The Minister referred to a meeting that he had with Jon Gluyas of Durham university. I just want to read out a few lines from a note that Jon sent me this morning about another potential energy source, namely the chance of extracting more oil from the oil wells in the North sea by pumping out the CO_2:

"I come from the oil and gas sector, having been responsible for rehabilitating a number of old fields in the past decade and it is very clear that a significant opportunity exists to dramatically improve recovery from North Sea fields by using CO_2 to enhance oil recovery. The prize could be in excess of 3 billion barrels over a 20 year period. This could consume every molecule of industrially produced CO_2 from Scotland to Humberside in the same period"

that is, if we combine UCG with CCS. He says that the project would also

"deliver an infrastructure and a skill base which would prepare us for true carbon storage, and prepare a workforce to export the technology to other parts of the globe."

He is very clear that we have the right person with us in the ship—that is, the Minister who is here today—as he says in closing:

"Last week David Kidney visited us in Durham. He has the full story."

I hope that when the Minister responds, he can give us that full story. I hope that he will say yes to conducting a strategic environmental assessment of the area off the north-east coast, and yes to giving us a chance to rediscover a coal industry in the north-east for the 21st century and beyond.

There is a positive story emerging from what is a huge challenge. There are big job opportunities across this country, particularly in areas of real need—areas that have been hit very hard in the past 25 years and that have never really kept pace with the rest of the country. The reality is that we can access huge amounts of our own resources, so that we are not reliant on unstable and immoral sources of energy. That could have a huge impact on the climate change issue, and it will negate the need for any more open-cast mining. There is huge potential for the export of technology and expertise, but that export will happen only if we get on with things.

I want to raise a final issue. We are all aware in this House of how close we are to a general election. The truth is that this debate is, to some extent, above party politics, because it is genuinely about the national interest, and even the international interest. So I will listen with great interest to what both Opposition spokespersons—the hon. Members for North Southwark and Bermondsey

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(Simon Hughes), and for Wealden—have to say today. I am very pleased with what I have heard from Conservatives about their conversion, once again, to coal; the reality is that they see coal as a resource that we should use much more, and they think that we need to put the matter right.

I am also happy that the hon. Member for North Southwark and Bermondsey, the Liberal Democrat spokesperson, is here today, because in discussions that we have had in the past about coal, I have always found his contributions to be both sensible and balanced.

However, I must say that that is in stark contrast to some of the discussions that I have had locally in the north-east with the Liberal Democrats. Their attitude is that anybody who says anything positive about coal is waving the bogey flag and is very much in favour of open-cast coal mining. I refer to a discussion that took place in my constituency about an open-cast site at Skons Park. For the benefit of *Hansard*, that is spelled Skons, not Scones, as the Liberal Democrat parliamentary candidate in Blaydon thought. Perhaps if he lived there, he would know that. However, he will have plenty of time to find out the correct spelling next year, when he can walk around doing nothing.

The reality is that carbon capture and storage is a very important subject and we need to get it right. It is potentially hugely important for this country, and the key thing is to get on with it.

3.57 pm

Simon Hughes (North Southwark and Bermondsey) (LD): First, I thank the hon. Member for South Suffolk (Mr. Yeo), not only for his Committee's report—I ask him to pass on our thanks to his colleagues on the Committee for it—but for his enthusiastic advocacy of the case that is made in his report and his enthusiasm for the issues in the brief covered by his Committee. He knows that that enthusiasm is widely appreciated. Furthermore, he was his traditional robust and independently-minded self today.

Although the hon. Gentleman would no doubt have wished for whole armies of people from his Committee to come and support him today, it is good that at least one member of the Committee—my hon. Friend the Member for East Dunbartonshire (Jo Swinson)—was here. She apologises for the fact that she has had to leave. I know that she had expressed a desire to be here for the whole debate and I know that she and my hon. Friend the Member for Cheltenham (Martin Horwood) are both wedded to working with the hon. Gentleman and his Committee in their work.

Just because I think that it would work best, I next want to address the points made by the hon. Member for Blaydon (Mr. Anderson), whose views and experience I respect. He has heard me talk in Westminster Hall and elsewhere. I hope that I have been very clear before, and I hope to be very clear again today, on these matters.

I do not think that it is accidental that if someone comes, in part, from a Welsh family and they are brought up, in part, in south Wales, and they lived near communities such as Aberfan, and they went down coal mines when they were at secondary school, they have some emotional and historical political commitment to the coal industry. I do, personally; I always have, and I have always made sure, when I have done this job, that my party has as clear a message as is possible that the coal industry has played, should continue to play and will play in the future an important part in providing the energy that this country needs.

It is a testimony to the work done by people in the coal industry that on the occasions when there have been tragedies—there have been tragedies and not only in south Wales, but in other parts of the United Kingdom—people have learned from those tragedies and safety has been improved and, as a result, people will hopefully be prevented in the future from suffering injury or worse.

I was entirely opposed to the strategy of Lord Heseltine when he was Secretary of State for Energy and of Mrs. Thatcher when she was Prime Minister because of the way in which they effectively went about undermining the whole of the coal industry in the 1980s and 1990s. I had not long been elected to the House and was certain about the position then, so I hope that my record is clear. I will say such things as strongly in Blaydon and the north-east as in any other part of the United Kingdom.

The hon. Gentleman was wise enough to say that if we want to have the coal industry that we wish for, it must, as the Government—and, it is fair to say, the Conservatives—have made clear, include the new protection for our climate and environment that is now on the horizon. That is what carbon capture and storage debates are about. That is the way to proceed, and the good news is that everybody has now signed up to it. Although there was some delay and we were slow off the mark, it is to the credit of the present Secretary of State and his team, as I have said publicly, that things have moved much more quickly since the new Department was formed.

So that that statement is not misinterpreted—although I do not resile from it at all—my party, if we are in a position to influence the issue after the next election, would wish for a reconstituted Government to bring back together the Department for Environment, Food and Rural Affairs, the Department of Energy and Climate Change and the Department for Transport. To be clear, that does not undermine my view of the importance of the energy and climate change agenda, but if we want less top-heavy government, those Departments should be brought back together.

The hon. Gentleman spoke about how coal is produced around the world. I absolutely understand his view and the passion with which he speaks. Coming as I do from the Liberal Democrat party and the liberal tradition, I do not think that tariff barriers or protectionism are the right answer, but we as a world absolutely need to ensure that we manage industrial practices in coal production safely, not only on this continent, which produces large amounts of coal in places such as Poland, but in other places. East of the European Union, coal is produced in Ukraine, which I support as a country—not least at the moment, as it is the middle of its crucial presidential election campaign—and in China and elsewhere.

There has been a failure of international responsibility, not just in China and Europe but in Latin America and other places. People have lost their lives as a result of industry practices. The International Energy Agency and other international authorities, such as the World

Health Organisation and other UN institutions in Geneva, must take a much more proactive view of such issues. It is not acceptable that other countries should be able to increase their competitiveness and reduce prices by cutting corners and bypassing basic safety requirements.

I hope that our Government and the European Union are as strong as we can be on such issues. We need to ensure production at a fair price. There may be competition, and we may not always be able to produce the cheapest coal, but we have a duty internationally to ensure that people do not lose their lives and livelihoods as a result of exploitation by coal industries elsewhere, whether state run or privately run.

Dr. Whitehead: Will the hon. Gentleman add to his remarks on the necessary international regulation of good practice in coal mining his thoughts on coal fires in many parts of the world? Coal fires are closely related to bad practice in coal mining, add substantially to CO_2 emissions in their own right and often continue uncontrolled for many years underground while coal mining is taking place alongside them.

Simon Hughes: I do not know whether you have ever been down a mine, Mr. Key—this is not meant as a challenge—but if you have, as I have done on more than one occasion, you will have seen the circumstances in which people do underground mining: the proximity, discomfort and danger, and the bravery and skill required. Practices such as the hon. Gentleman describes are completely unacceptable, and we need to add that to the agenda.

The hon. Gentleman's comments always take our debates to a new tier. Those of us who are laypeople in debates such as this go around the circuit, and then when he speaks, we must all raise our game and our attentiveness, because he rightfully puts things in a more scientific context. We are grateful for that. I am sure that the Minister, for whom I will have questions in a moment, is focused on exactly what storage capacity we as a country will have, where it will be and what storage will be safe and appropriate. The comments of the hon. Member for Southampton, Test were extremely wise in that context.

I do not want to make either a long speech or a greatly partisan one. All of us—the Minister, the hon. Member for Wealden (Charles Hendry) and the other hon. Members in this debate—have been around the circuit before, recently and often, so I hope that our positions are clear. I will make a couple of general propositions, and then I have a set of questions for the Minister, arising from what he has said and from this debate. I will not repeat questions that I have asked him in Committee, with one exception.

Somebody said to me today—I do not mean this to be unnecessarily fawning—"I have never understood why the hon. Member for Stafford (Mr. Kidney) wasn't promoted to ministerial office much earlier. He's clearly capable of it and has done very well." We are grateful for his engagement with his brief. We are sorry that his hair is going grey as a result of his dealing with business managers, but we do not mind so much as long as he delivers the goods and we get the secrets.

We were encouraged by the mysterious statement this morning by the Leader of the House, which announced the business for next week and the provisional business for Monday the following week, but was noticeably silent about the two remaining days. We hope that that means that there is still an opportunity for the documents that we in the Opposition—and, I think, the Minister's Back Benchers—would like to see before the Report stage of the Energy Bill. I ask not least so that we can formulate intelligent new clauses and amendments and make maximum progress on the Bill.

I want to address a few points in sequence, as that will be easiest. It will not take long. On page 3 of the Government response, published last August, the Government reply to the first recommendation, concerning competition. The reply states:

"In addition to our support for commercial-scale CCS demonstration, we continue to support the development of a wide variety of CCS components through our support for research, development and demonstration via the Technology Strategy Board (TSB), the Energy Technologies Institute (ETI) and the Environmental Transformation Fund (ETF). For example...DECC's Environmental Transformation Fund (ETF) includes support for CCS through the Carbon Abatement Technologies Demonstration Programme. To date some £2.2 million has been committed to one project for the demonstration of a 40MWt Oxyfuel combustion system."

When the Minister winds up, will he put on record what has been done in relation to that programme and whether any further developments in that programme are planned?

I have prompted the Minister about the CCS strategy document. I am encouraged to hear that it is imminent. To pick up on part of the speech made by the hon. Member for Southampton, Test, what storage capacity do we think is in the UK and around the British isles? The Committee's fourth recommendation says:

"Unless the Government is able to show there is sufficient storage capacity there must be some question about the long-term viability of CCS."

The Government's response was:

"Previous work funded by Government and undertaken by the British Geological Survey (BGS) gives a good level of confidence about the storage capacity of the British Isles. This study estimated that the total quantified storage capacity exceeds 7.5 Gt and may exceed 22Gt (this range is due to uncertainty on saline aquifer capacity). The lower end of the range relates to already well-characterised storage sites and should be sufficient to meet UK needs for many decades to come. Additionally, we might expect closer geological analysis of aquifers to validate further viable storage capacity of the UK within the range cited above. Importantly, some saline aquifers have already been proven suitable for storage of carbon dioxide."

From what I understand, the saline aquifer element of the storage capacity is very important. Obviously, it is important that we do not lose it: that when the site is finished with it is blocked and made safe. It would be helpful to hear the Minister's estimate of our current capacity and what work is being done. What is the process? Is there an annual assessment of what the score is and what is coming on line? What are the consultations and considerations about whether we might ever need to use, for example, storage that the Dutch or our other neighbours, such as the Irish, might have, to be part of a grid working with them?

I want to say in passing that I was amused to see the response to recommendation 9 about the need for a "dramatic technological development":

"The Government agrees that we cannot continue with business as usual".

That seems to be a theme picked up by all parties, and Amen say all of us.

[Simon Hughes]

Lastly, recommendation 14 states:

"In our Report on the 2007 Pre-Budget Report we recommended that the Government 'introduce some form of financial mechanism for incentivising CCS power plants over conventional power stations', such as a feed-in tariff for CCS plants, or contracts which guarantee funding for the difference in costs between CCS and conventional plants."

We have talked about the competition; we have talked about an emissions performance standard in other contexts. The Committee on Climate Change is clear that the carbon markets—the EU emissions trading system—may not be sufficient as a mechanism for dealing with that. Will the Minister tell us the Government's present thinking about the role of feed-in tariffs? Will they consult further on them? I am not aware of having heard the Government speak about that since they gave their response. Might there be other ways to use financial mechanisms? I do not mean for the competition; I am talking about what happens post-competition for the development of carbon capture and storage.

Those are the issues that come directly from the Government's response. My party is clear: the country will need oil and gas for as long as we have them. We shall need to use our coal, but there should be CCS. We have debated how hard-line the requirements should be in advance. We should like them to be as tough as possible. I accept the points that were made in Committee by the hon. Member for Wealden that there are technical limits to how near to 100 per cent. it is possible to get. One cannot be naive about that. We started from an absolutist position, but there must be compromise, and I remember the hon. Gentleman's perfectly valid points about the fact that when a plant is powered up it may not be possible to prevent the escape of some emissions. Also, occasionally—I buy that qualification, too—there will be a need to allow coal-powered stations to be used, even if they do not fully comply, if the nation needs them. Those were three good and reasonable qualifications. Some collaborative work is being done on trying to agree some common wording on Report that will be acceptable to many in the three major parties—and, I anticipate, the Scottish National party—which we hope the Government will accept. That will be an important part of the debate.

The Liberal Democrats think that renewables are a fantastic possibility for this country, and not just as onshore and offshore wind power. In urban areas such as that of the hon. Member for Blaydon in the north-east, there are fantastic sites along the coast in the old ports. Those are good sites that do not give offence to people and are obvious places for the industry, and for job creation. Liverpool is another good place for that. We must consider our old industrial cities and towns, on the east coast in particular, in Scotland and England along the major rivers, to make sure that we take that capacity. In addition, we have a fantastic opportunity for tidal power. Hon. Members have heard me say before that we do not believe nuclear should play a part; we are opposed to the development of the nuclear industry, which is expensive, always late, dangerous, and environmentally far less susceptible of control or influence by the public. We can meet our energy needs, provided that we are energy-efficient, with the other mix. Although in faith terms I am a Trinitarian, I am not a Trinitarian with the same trinity that the Minister promotes in terms of the fuel mix for the future. Nuclear should not be part of that trinity—indeed, it makes it an unholy trinity of energy, not a holy one.

A fantastic piece of work has helpfully been done by the Committee on Climate Change, which we all value greatly. Would the Minister be kind enough—we went into this subject a bit—to touch on the closeness of the Government position, because I am still slightly confused about the proposal in chapter 4 of their October report on the framework for investment in conventional coal generation. On page 134 of that report, they make four recommendations. I would be interested to hear whether the Minister agrees with each of those four recommendations. His answers on that have not been as clear as I would would like.

I shall make my last two points. In relation to "A Framework for the Development of Clean Coal", which is obviously the latest Government document we have, I have some questions principally about timetable. However, in passing, I note—the hon. Member for South Suffolk who opened the debate referred to this—that the figures the International Energy Agency produce are outstanding. He was clear about how important they are. We need to pause for a second to reflect on how significant they are. In 2008, the IEA predicted that the amount of electricity generated from coal could increase by around 23 per cent. in the US, around 172 per cent. in China and around 258 per cent. in India between 2006 and 2030. That is phenomenal.

Given the context that the hon. Member for Blaydon reminded us about, it is vital that we deal with the way of production, as well as with the volume of production and the technology for dealing with the carbon capture. The Government reminded us that the IEA estimates we will need 100 CCS projects globally by 2020, although I accept that that includes gas. My other questions are as follows. In paragraph 1.14 of "A Framework for the Development of Clean Coal"—I am conscious that there is also the energy policy, which includes coal—the Government state:

"We are currently working with industry and stakeholders on development of a 2050 roadmap setting out possible pathways to a low carbon UK, which will be published in Spring 2010."

My question is predictable: will the Minister please tell us whether that is still on target and if it will be published before the general election?

Importantly, on a matter of great concern to all of us, in paragraph 1.19, the Government make the point that one of the objectives of the transition to clean coal is to

"Help create jobs and economic opportunities for UK-based businesses in a new industrial sector."

I agree, but what is the number of jobs that the Minister believes, looking forward, is likely to come from this sector? I think all of us have a regional and a national interest in the answer to that, because it is important technology. Just to clarify—there are lots of people with an interest in this—paragraph 1.25 states:

"On 6 November 2009, we received two bids to proceed to this next stage of the competition,"

to which the Minister has already referred. It goes on to state:

"We have the option to fund up to two FEED studies and the successful bidder(s) will be announced early next year, when we have evaluated the bids."

Will the Minister say when that will be? In paragraph 1.28—

Robert Key (in the Chair): Order. Will the hon. Gentleman tell me where he is referring to in the document we are debating this afternoon?

Simon Hughes: The document I am drawing from, Mr. Key, is the Government's document, to which the Minister alluded, called "A Framework for the Development of Clean Coal". The document is their response to the Committee and to its recommendation.

Robert Key (in the Chair): With the greatest respect, it is not. I have the Government response to the Committee's report in front of me. The hon. Gentleman is referring to something completely different that we are not debating this afternoon. Will he kindly return to order?

Simon Hughes: Mr. Key, I was not aware I was not in order. I had dealt with the Government's response to the Committee report and was seeking to deal with the other report that the Minister mentioned earlier. I will ensure that I generalise rather than deal specifically with the other matters. Some other dates were mentioned. Let me summarise. The Minister mentioned a Government report for the implementation of carbon capture and storage. It would be helpful if he said when he thinks those announcements will be made.

Finally, I should like to mention the future of CCS and its compatibility with the European Union, which we touched on when we last debated this matter. The Minister of State, Department of Energy and Climate Change, the hon. Member for Lewisham, Deptford (Joan Ruddock) said in her reply last week that there was further correspondence between her Department and the EU. A request was made that that correspondence should be made public so that we could see the latest position. It would help if the Minister said whether that is now possible, whether that confirms or changes the Government's position on how acceptable the various CCS options are as technologies and whether they will still regard the emissions performance standard as a key component part of their policy for dealing with a new generation of coal-fired power stations.

This debate is of interest both strategically and technically. It is good that we have an Environmental Audit Committee to bring these matters to us. This debate, though much delayed because of the reasons given by the hon. Member for South Suffolk, will allow people to see the commitment to the project. Everybody, including this Government before the election or whoever is in government after it, will now want things to move forward as quickly as possible.

4.21 pm

Charles Hendry (Wealden) (Con): May I echo the words of my hon. Friend the Member for South Suffolk (Mr. Yeo), who spoke of his sadness at the fact that you, Mr. Key, will be leaving the House at the election? You bring tremendous knowledge and expertise to debates and Parliament will be poorer for not having your wisdom after the election.

I commend my hon. Friend for the way in which he introduced an excellent, robust report that has given us tremendous food for thought. I commend his Committee for producing that detailed report.

We have had to wait rather a long time for a debate on this subject. The report was about 13 pages long, but we have waited 13 months for a response from the Minister. The Government clearly work at the rate of a page a month, but perhaps they could work faster in future.

Although we have not been overwhelmed by the number of colleagues during this debate, we have had a significant amount of quality. The contribution of the hon. Member for Southampton, Test (Dr. Whitehead) showed the expertise that he brings to the subject, which he has brought to so many energy issues, and the contribution of the hon. Member for Blaydon (Mr. Anderson) showed the passion that he brings to such debates. I should, however, like to correct him in respect of our exchange in the Chamber in a previous debate. I said, in response to an intervention from him:

> "In the 1980s, we set the market framework that delivered the cheapest energy prices in Europe for the next 20 years. The model has worked, and it has been pretty robust up to now."—[*Official Report*, 13 January 2010; Vol. 503, c. 795.]

That was a reference to the move towards cheap domestic gas. I was not in any way suggesting that I wish to have cheap prices based on miners dying because they are working in unsafe mines elsewhere around the world. I hope that he will accept that there will always be a need for imports, sometimes because of the qualities of different types of coal needed for certain operations. British coal mining enjoys some of the highest standards in the world, which we want to see in force in countries from which we import coal.

Mr. David Anderson: The hon. Gentleman's answer may have related to gas, but the question was specifically about coal.

Charles Hendry: The question was not specifically about coal. The hon. Gentleman talked about the Conservative party devastating the coal industry and privatising the utilities and, more generally, about energy policy. Perhaps we were talking about different issues, in which case I hope this exchange has been useful in clarifying that.

I hope that one of the issues that come through clearly is that coal is now uniting political parties and politicians. It has been one of the most divisive energy issues over recent decades, but now there is an overwhelming desire among politicians of all parties to see a revived coal industry in Britain, based on a bright future for coal in the energy mix with carbon capture and storage. The report we are debating is an important contribution towards that.

My hon. Friend the Member for South Suffolk rightly mentioned the urgency with which the issues must be addressed. In the recent coal period, coal generated more than 40 per cent. of the electricity used in this country, so it is still a significant player. However, we can already see that by 2016, as a result of the large combustion plant directive, a third of our coal plant will be out of commission. If the industrial emissions directive goes through, most of the rest of our coal plant will be closing by the early 2020s, so there is a significant need for new investment in plant, and from our perspective that must be genuinely clean coal with CCS.

I am pleased that the Minister was given the chance to give an initial reaction to the debate. I noticed a slight change in his tone: he moved from saying, "We are

[Charles Hendry]

leading the world" to, "This is not a race." That is the argument my children tend to use: the one who wins the race says, "I am the winner", and the one who comes second says, "Well, I wasn't actually racing anyway." We must recognise that there is a race. There is a race against time, because we do not have time on our side if we are to get the new capacity built and implement the measures necessary to reduce our carbon emissions, and there is also a global race to develop the technology, so I really do see this as a race.

There are, of course, areas for competition, but it is our view, and that of many others, that Britain is in a unique position to lead the world on that. We have the skill-sets from the North sea oil and gas industry, which can be used for the sequestration technologies that will be necessary. We have a need, we have the many years of coal supply left and we have some of the best scientists in the world operating in places such as Imperial college, Edinburgh and elsewhere. It would be an absolute tragedy if in 20 years' time we found that CCS was a global technology, but a technology that other countries had mastered. We think that we should have a real vision of Britain leading the world in the commercial development of those technologies.

The report refers to a disappointment at the lack of progress. I think that we all accept that things have improved, but the words my hon. Friend used—"appallingly slow" and "scandalously lethargic"—summed up the earlier approach that was taken on the development of that technology. That has had a significant impact on the UK. The initial decision to go purely for post-combustion technology meant that work being done on pre-combustion technology, notably in Peterhead and some other projects, was lost. In the evidence given to the Energy Bill Committee, people made it clear that those projects were lost for good for Britain, now that Abu Dhabi has the project from Peterhead, and that we will have to struggle to catch up.

Jeff Chapman, chief executive of the Carbon Capture and Storage Association, told the Committee in evidence that it was now likely that China would be the first country to get a commercial-scale CCS coal plant operating and that Abu Dhabi would be the second country to do that. Therefore, we have lost out, and in international terms that is a matter of significant concern. The Chairman of the Environment and Climate Change Committee, the hon. Member for Sherwood (Paddy Tipping), said that it appeared to be a competition without end. In the three years that that competition has been running in the UK, Canada has had a competition that was over in one year, so there needs to be greater urgency if we are to see people really looking at investing in Britain in that technology.

The report states that there is an urgent need for a strategy for the development of CCS to give a strong signal to industry, and I absolutely agree. That is one of the reasons we tabled an amendment to the Energy Bill on the need for the Government to publish a road map within the six months after the Bill becomes an Act, should it do so. The Minister talked about a CCS strategy coming out in the next few months, but that is not far removed from a road map.

It is important to contrast what is happening in that regard with what is happening in other areas of energy policy, particularly nuclear. The road map put in place for nuclear energy means that anyone looking at that sector from outside can see whose responsibility it is to do what and by when if the first new nuclear plant is to open by 2017-18. It is exactly that road map that is missing in areas such as carbon capture and storage, and even the roll-out of renewables. I hope that the Minister will reconsider that, and that on Report the Government will indeed decide that a road map would be appropriate.

The Minister referred to the office of carbon capture and storage, and said that the Government are consulting. In the same time that the Government have taken in consulting on that office, they managed to get the Office for Nuclear Development up and running. We need a real sense of leadership. The office has an expert chief executive—one of the finest people in the department—and I hope that he will be able to give things a sense of impetus and movement. We need to move forward with greater urgency.

If we do not have an overall strategy, we will find that we are without a national interest perspective. We will find a plant being developed in the Thames estuary, with its own pipeline to the North sea; we will see another plant being developed somewhere else, again with its own pipeline. It is critical to the success of the scheme that we have oversized pipelines, so that clusters can be developed in certain areas. There will not be many in the United Kingdom. The Thames is probably one, as is the Forth, along with Teesside and Humberside. Those will be the natural clusters, but it needs Government drive and a real sense of strategy to make it happen. I hope that the Minister will review the Government's position, and that they will accept its importance.

I would be grateful if the Minister said how we should move forward. The Energy Bill would put in place a levy, a funding system, but that still will not give an overall structure for the development of CCS. That was another issue at the heart of the report. We advocate that a body, perhaps an authority, should be set up to be responsible for the purchasing of the CO_2 emissions, and for letting the contracts for the pipelines and the sequestration facilities. That would be unique in the world, and it would say to businesses large and small that the United Kingdom was determined to lead. I hope that the Minister will reflect on such initiatives and differences.

The hon. Member for North Southwark and Bermondsey (Simon Hughes) spoke of the need for gas to be incorporated. There is a tendency to focus on the coal side of the debate, but at some time gas will have to be incorporated. The Bill gives the Government the opportunity to do that. They can broaden its provisions from being related only to coal to include other technologies. I hope that the Minister will show that the Government's responses to the report are not hollow, and that they will use the opportunities that they have to drive change forward.

The Government say that 20 GW of new power plant has been consented; 12 GW of that, or 60 per cent., is gas. Gas will play an extremely important part in our energy mix for many years to come. The people building those plants are not building them for the next few years, to see us over the shortfall before the new plants come into use; they are building them with the expectation that they will be in use for 20, 30 or 40 years. For that reason, CCS on gas becomes particularly important.

That brings me to the question of the emissions performance standard. The Select Committee report contains 15 recommendations. The Government responded to 14; the 15th did not get a mention. I hope that the Minister will explain why. That last recommendation was about the importance of an emissions performance standard. There is broad support in Parliament for that. The Conservative party has been committed to it for some time; we believe that it will be a key element in driving investment.

An emissions performance standard that was set unrealistically high would drive away investment, but investors who are looking to invest hundreds of millions of pounds in new plant should know the framework to which they will be expected to adhere. That applies to coal and, in time, to gas. I hope that the Minister understands the strength of feeling across the House that an EPS would help secure investment by giving people certainty about the investment framework. It will help them to decide positively. It would also be useful to know why the Government did not address that question in their response.

The final issue is carbon price. The Select Committee report says that we cannot rely on the price of carbon through the EU emissions trading scheme alone to drive forward. That is absolutely true; we need only look at the fluctuations within the ETS to realise that. At times, the price has been about €30 a tonne; at other times, it has fallen to 8 cents a tonne. It is hard to make investment decisions based on something that fluctuates so wildly.

The Select Committee discusses a feed-in tariff or other method of support. I hope that the Minister will consider the alternative approach of putting a floor on the price of carbon, which would help secure investment across the board in low and zero-carbon technologies. That would be helpful for investors in nuclear, CCS and renewables. I hope that he will be able to indicate the Government's position. When he appeared before the Energy and Climate Change Committee a few weeks ago, he said that if the deal that the Government hoped for was not reached in Copenhagen, they would announce their way forward shortly afterwards. In the course of this week, we must declare our response to the Copenhagen agreement. If a carbon price announcement will be part of that, maybe he could share it with us now.

The report is thorough and is enhanced by its brevity and the clarity of its thinking and recommendations. I think that we are all united in wanting coal to play a vibrant part in the United Kingdom's future energy mix, but it must be genuinely clean and involve carbon capture from the outset. We share the Government's goal of having a significant number of plants. We have said 5 GW, with some degree of CCS in place, by 2020; the Government have mentioned 4 GW. We are in the same area on that issue, but if we do not have a road map or a strategy in place for delivery, it simply will not happen. I hope that the Minister can reassure us in his closing remarks and respond again to the important recommendations made in the report.

4.37 pm

Mr. Kidney: With the leave of the House, may I say that this has been a serious debate about a serious subject? It is not just for the benefit of this country that we must make carbon capture and storage work, as I said in my opening speech; it is for the benefit of the entire world.

I will respond directly to the points made by hon. Members before I end. I was grateful to the hon. Member for South Suffolk for acknowledging, among all the delays to which he referred, that the Government had introduced a regulatory regime for the storage of carbon dioxide. As I said in my speech, it was a world-leading step at the time. The European Union has caught up since then with a directive based on our legislation, although we now need to make some amendments to our scheme to comply fully with the directive.

On European funding that might assist the development of carbon capture and storage demonstration plants, the European Union has taken not one but two relevant initiatives. The first was the economic recovery package, through which the European Commission has effectively announced a number of projects that it intends to support. We read in the newspapers that one is Hatfield in the United Kingdom. I understand that the process is not yet concluded and that the European Parliament has not yet given those decisions its approval. Nevertheless, that is one route on which the European Union has made a decision. It is in hand and could benefit a United Kingdom project.

The second, which might have been the one that the hon. Gentleman had in mind, is that we in this country persuaded the European Commission and other Governments that from 2013 onwards we should set aside from the new entrant reserve of phase 3 of the EU ETS 300 million allowances for auction to raise funds for carbon capture and storage and renewables projects. That is a potentially large sum and could become available in several years' time. We are confident that we will make a good case to the European Union for a share of that money for projects in the United Kingdom in the time scale necessary to secure them successfully. The huge levy that we propose on the electricity bill of everyone in this country to help the private sector to make a success of carbon capture and storage could be diminished by the contribution that we secure from the European Union.

Another funding point that the hon. Gentleman mentioned was that in Budget 2009, there was an announcement of a £90 million fund to enable the participants in the first competition—the two that are still proceeding with competition No. 1—to proceed to the front-end engineering and design stage after the first stage of the competition. That money is indeed available and we hope to make an announcement shortly about the participant or participants being able to spend it.

The hon. Gentleman asked about Ofgem's expertise. We are confident that Ofgem has sufficient expertise. It deals with similar arrangements now in respect of the renewables obligation, for example, and we intend to give it a role in relation to the feed-in tariffs that begin in April. Again, we think that that role is within its expertise.

The hon. Gentleman asked about the review in 2018 and whether that would allow time to act by 2020 on the decisions that are made. 2018 is a tricky judgment call because there has to have been by then some demonstration of carbon capture and storage in order to make a judgment at all, so there is something that we have to

[Mr. Kidney]

learn from, and then, as he rightly says, the case is urgent for rolling that out as far and as fast as possible if it is successful, and we want to do that by 2020. We happened on 2018 on the basis that with our own ambitions and now the European Union's ambitions, a number of demonstration projects will be starting by around 2015 and there should be time to learn and then time to act on the decisions that we make. I agree that it is a tight time scale, but equally I agree about the urgency of the issue.

The hon. Member for North Southwark and Bermondsey (Simon Hughes), in an intervention on me, asked about the 90 per cent. reduction in carbon emissions if CCS is successful with coal. I shall add to what I said then that the International Energy Agency cites that figure as its assessment. We can do better than 90 per cent. if we are prepared to spend more money, assuming that the technology is capable of being pushed that much further forward. For the sake of completeness, I should point out that today, some coal generators seek to reduce their emissions by co-firing coal with biomass and there is no reason why that would not continue in the future.

I thought that my hon. Friend the Member for Southampton, Test (Dr. Whitehead) did much better than I did in persuading the members of the Select Committee about the importance today of fossil fuels as part of the flexible base load in this country. As we develop, for example, much more wind power, with its variability, that flexible base load will be more not less important to the country. As we make the transition to the low-carbon future, we should not overlook the contribution that that base load will make. My hon. Friend made that point extremely well. Equally, because of that, he made the point that we have to make a judgment about the control of emissions on one hand and the times of need on the other. A good example that we can all remember is that this winter, when there was a shortage of energy to meet a huge demand in this country, it was the flexible fossil fuel base load, including coal, that came to our aid to ensure that we met that record demand.

On my hon. Friend's point that eventually we must get round to the retrofitting of existing power stations as well as the new ones that we are talking about, I am sure that that is a forceful argument, but in terms of the Government's position, we have focused our new interventions on new coal, for the reason that the hon. Member for North Southwark and Bermondsey gave, which is that when those power stations are built, they have a 40-year lifetime. Therefore, we think that that is the right priority, but I take the point about having to come back to the issue of retrofitting. That is why we have made the decision and announced that the levy could pay for retrofitting as well as for the first demonstration, and why we have said that we will review the situation in 2018.

My hon. Friend made the important point about sufficiency of storage for carbon dioxide. It is intended in this country that there will not be storage on land, so the surveys that have been done under the seas around this country are very important. He mentioned one survey; there have been several others, and certainly the British Geological Survey in 2006 is the one on which we rely in thinking that there are 100 years-worth of storage of our carbon dioxide emissions in safe places under the sea. However, I take the point that, although some of that capacity might consist of oil and gas fields as they are exhausted of gas and oil, some of it might be aquifers and he is right that our knowledge of those aquifers and their security, in terms of their being a safe storage place, is not complete. So, to answer a question that the hon. Member for North Southwark and Bermondsey asked me, there is ongoing surveying work, to ensure that we have sufficient information.

To conclude that point, I met with representatives of the Crown Estate earlier this week—after all, the Crown Estate is our landlord of the seas—and they are very aware of the need for this transition from oil and gas fields being producers of oil and gas to being, in the future, the storage places for carbon dioxide emissions. They are very attuned to the need to help the industries—both the current oil and gas industries and the future carbon dioxide storage industry—to make that transition a smooth one.

I think that it was my hon. Friend the Member for Blaydon (Mr. Anderson) who mentioned enhanced oil recovery. Of course, carbon dioxide might be the injectant that would be readily available at a reasonable price to help with enhanced oil recovery. Again, in my discussions with the representatives of the Crown Estate, they were alert to that point. I would also just point out to Members that, under the world-leading regulatory regime that we have established as part of the Crown Estate, we conducted a consultation in the autumn of last year about the licensing system for carbon dioxide storage. In that consultation, we proposed that the licensees of existing oil and gas fields ought to have a limited window of opportunity when they could have first call on permits for their fields as stores for carbon dioxide.

That consultation has recently closed and I do not yet know how the market has responded. Furthermore, we certainly have not made a final decision. However, I just wanted to draw attention to that consultation to show that we are alert to the link between the two sectors and the importance of securing the assets that we have now as safe storage for the future.

I thank my hon. Friend for reminding me that energy efficiency comes first, before the trinity of fuel supplies that I mentioned to him. Of course, if we can avoid using energy in the first place, we will contribute both to fighting climate change and to our security of energy supply, and we will help those people who find it difficult to afford to pay their bills to reduce their bills. Also, for businesses it is a good thing to reduce their overheads if they can. So energy efficiency—every day—should come first, and I thank him for reminding me to say that.

My hon. Friend is right about the need for further work to be done on the transportation of carbon dioxide. However, as I said to everyone in my speech, the components of carbon capture and storage have each been tested and there is transportation today, just as there is storage today, that has been proved to be successful. It is putting all those components together that is the challenge for us.

I totally agree with my hon. Friend about the UK coal industry having a place today—with 6,000 jobs—and hopefully it will have a bright future because we make a success of carbon capture and storage. Furthermore, I

certainly take to heart the point that he made about the cost of our use of coal in this country that is supplied from other parts of the world, in terms of the lives that are lost producing that coal for our benefit. As I say, I take that point to heart.

My hon. Friend asked me what would be the public contribution, as opposed to the private sector contribution, to the demonstration projects. I think that that is a good point for us to pause and consider, because we have established the regulatory regime and people can deliver carbon capture and storage on power stations in this country today, if they want to. But nobody wants to take the risk, in terms of spending only their own money on such projects.

Without doubt, the cost of each individual project would be enormous; it would cost billions of pounds to make a project a success. So we are talking about sharing the risk. In the first competition, we were directly proposing the use of taxpayers' money, but now we are up to the level of the four demonstration projects we are talking about a levy on everybody's electricity bill, to make a contribution from the public sector to the private sector, in order to make a success of those four demonstration projects. Of course, when we agree about who has got the demonstration projects and therefore who will enjoy the benefits of this money, I would want to ensure that the contracts are sufficient to guarantee that, if there are any rewards to be had at the other end of the process, the taxpayer is involved in enjoying those benefits, just as the private sector will be.

My hon. Friend also wanted me to concentrate on the underground gasification of coal. As he pointed out, that was a subject covered in my discussion at the Durham Energy Institute last week. Last year, when I visited the coal authority at Mansfield, I had the same discussion with the people there, because they will give the licences for the underground coal gasification projects. I certainly urge them to be flexible and supportive of a possible new technology that would advantageous. That is something I will continue to pursue, as he asks.

My hon. Friend also asked me a specific question about the need for a strategic environmental assessment for underground coal gasification. I am told that the discussions between officials, to which he referred, have led to the conclusion that there is no need for a strategic environmental assessment for an individual pro[illegible]. Perhaps that is good news for him. There is certainly no obstacle in relation to that.

The hon. Member for North Southwark and Bermondsey asked about the latest environmental transformation fund call for bids. There is a news release about the results of that dated 7 January, and he is welcome to have a look at my copy of that when we have finished the debate. He also asked me about storage capacity. I hope that the answer I gave to my hon. Friend the Member for Southampton, Test deals with that point.

The hon. Gentleman asked if the ETS is insufficient to drive a reasonable price for carbon, what more can be done. That is the point the hon. Member for Wealden (Charles Hendry) came back to at the end of his speech. That is, of course, the big question of the day. As the hon. Gentleman said: it is not just about carbon capture and storage; a reasonable carbon price drives the developments in nuclear, renewables and even in energy efficiency. That matter is therefore crucial.

I still have a little bit of life left in the explanation I gave to the Select Committee on Energy and Climate Change. We are waiting to see about Copenhagen because, as the hon. Gentleman says, the accord has led to the opening of a register for which people will put in their commitments by the end of January. We are not quite at the end of January, but I agree that there will be a need to address the issue of carbon price. However, I still say that it remains the Government's ambition that the EU ETS will be the main lever by which that is driven. I have been asked about feed-in tariffs, tax incentives, taxation and a new form of obligation. All of those are within the Government's contemplation to assess before they make a decision on further actions.

The hon. Members for North Southwark and Bermondsey, and for Wealden, asked about the emissions performance standard. I shall come back to that in a moment. The hon. Member for North Southwark and Bermondsey asked me about page 134 of the Committee on Climate Change report. Of course, the Government published their response to that report in January 2010. However, just to take him through the four points that he raised, the committee urged us not to judge the success or otherwise of CCS simply by carbon price, but to consider the wider context of power-sector decarbonisation, and to assess CCS on the basis of UK and international evidence. In our response, we agreed that when we undertake that report in 2018, we will move away from a narrow assessment and take into account the broader points, as the committee recommended.

The committee's report says:

"To the extent that retrofit might be considered desirable."

There would need to be additional support for that, and we have announced that we will provide that. The report says:

"Such a mechanism should be introduced no later than 2016."

As the hon. Member for North Southwark and Bermondsey knows, if his party and the Conservative party agree that the Energy Bill should reach the statute book before the election, the levy can be in place by 2011. We will certainly meet that requirement from the committee.

Finally, the report states:

"The Government should make it absolutely clear now that whether or not CCS can be deemed economically viable any conventional coal plant still operating unabated beyond the early 20[illegible] would only generate for a very limited number of hours."

[illegible] have made that clear. It goes on:

"Such a statement should be complemented by a review (e.g. in 2020) to determine the precise level and timing of such a limit."

I totally agree. The Government will therefore conduct a rolling review and make a report in 2018. We are not proposing an emissions performance strategy today. We will conduct our business as recommended by the independent Committee on Climate Change and give our decision in 2018. That is my answer to the hon. Gentleman and the hon. Member for Wealden on emissions performance standards.

The hon. Member for North Southwark and Bermondsey also asked me about the 2050 road map. I am happy to confirm that the work is well on its way, and that we intend to produce the road map for public consumption as soon as possible. He asked me whether that would be before the general election. I suppose that I have to answer him with the question, "When is the general election?" We intend to publish the road map in the spring.

[Mr. Kidney]

The hon. Gentleman asked me about the number of jobs and asked when the announcements about the demonstrations would be made. I thought that that undermined the argument that he made in his point of order; he said that I should speak first so that people could listen to what I said. I said that there would be 60,000 jobs by 2030, and that we hoped to call for further bids on the demonstrations before the end of this year, so that all four will be in the mix by the end of this year, with decisions by 2011.

The hon. Gentleman asked me about making public the EU correspondence. I am not in a position to say that I will do that, but I can confirm to him, as the Minister of State, Department of Energy and Climate Change, my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock) has already done, that we did reply to the European Union letter—the one that he said had been leaked to him, and which he read to the Committee. We said that we did not agree with it. We have not had a substantial response to that letter yet.

Finally, I come to the speech made by the hon. Member for Wealden. He asked whether there was a race. I thought that I said "world-leading" lots of times in my opening speech. I agree with him that we would like to be at the front of the development of carbon capture and storage. Moreover, I agree with him in the sense that there is a race against time, and we must make a success of carbon capture and storage. Nevertheless, we are co-operative, and we understand the hugely important global challenge involved. We want others to be successful, too. That is why, when the European Union and China settled on the near zero emissions programme for coal, they turned to the United Kingdom to take the lead. We are the scientific, administrative and civil service lead for that project because of our recognised expertise.

The hon. Gentleman said that Dr. Jeff Chapman thinks that China and Abu Dhabi will be the first places to produce commercial CCS. I respond by saying that Ernst and Young think that the US and the UK will be first, and I am with it on that. He says that we need to publish a road map. I refer him to the response that we have made to the first annual report of the Energy and Climate Change Committee, and show him the road map on page 27. There is a timeline there, and text that goes with it. It demonstrates that we are in command of our subject, and that we have a coherent plan and a time scale that goes with it.

Charles Hendry: Will the Minister accept that there is a world of difference between the road map he has shown us and the much more comprehensive road map that has been produced for the development of nuclear?

Mr. Kidney: I always enjoy it when the hon. Gentleman praises our work on nuclear development. I agree with him that we have an excellent plan. When our office for carbon capture and storage is up and running, we will need to do more work to produce the same kind of detailed work that he describes. I think that he will find that the strategy for industry, which we hope to publish shortly, will contain much of the detail that he has pressed me about today.

I just want to say to the hon. Gentleman that we have not made any decision about setting up a new quango with responsibility for pipelines, but we understand the strategy that is needed to drive the provision of sufficient clusters and sizes of pipes to make a success of the industry, and that will be within our work.

I want to finish by agreeing with my hon. Friend the Member for Blaydon, who said that there are exciting prospects for the world, and specifically for this country, in making a success of carbon capture and storage. It is exciting because of the jobs and the energy supplies that we can secure, because of the contribution that we can make to the global challenge of tackling climate change, and because of the exports and manufacturing opportunities that we can obtain from this development. The Government are fully committed to doing their utmost to get all those benefits for this country and for the world.

4.59 pm

Mr. Yeo: By leave of the House, may I thank colleagues who have praised the work of my Committee and, in particular, the report and its conclusions? That is much appreciated, and I will draw the comments to the attention of the Committee members and staff. I welcome nearly all the points made, many of which were very constructive. I should like to mention a couple of specifics.

First, on the race, it is true that the world has an interest in getting the technology viable. In that sense, it does not really matter who develops it first. But at a time when the appetite for addressing climate change in this country and many others is faltering a bit for various reasons, it is important to identify the economic opportunities presented by the potential solutions. It would be a tragedy if Britain, with its tremendous record of creativity, innovation, scientific expertise, and so on—and a distinguished, long history of mining—were not in the vanguard of devising the technology. That is why, although I welcome what the Minister says about the exciting opportunity, which is undoubtedly true for the reasons he gave, I very much regret that we have lost a bit of time already in the past six years. We are now much more focused on the potential. It will be of enormous potential commercial advantage to Britain—our economy will benefit—if we are one of the winners in this race, just as it will benefit the whole world.

Secondly, I should like to mention underground coal gasification. I am careful to draw attention to my entry in the Register of Members' Financial Interests, because I may have an indirect commercial interest in this matter. The hon. Member for Blaydon (Mr. Anderson) made an important point about the way that underground coal gasification can open up the potential for using a lot more of our coal reserves than would otherwise be possible, and for achieving electricity generation at much lower emissions levels. I welcome what the Minister said, but my impression is that DECC is not as enthusiastic as he is. I hope that what he says is reflected in the work that his officials do, now and in future.

I thank hon. Members for the debate.

Mr. Kidney: On reflection, I ought to make it clear that when I said that the levy will pay for retrofit, I was referring, of course, to a retrofit of the demonstration

plants—a move from a share of the plant to the whole of the plant. I say that just in case there was any confusion caused by my straying into the territory of my hon. Friend the Member for Southampton, Test who wants the retrofit to be considered more widely.

Mr. Yeo: I am sure that that clarification will be noted.

I am certain that we will all want to return to this subject soon and regularly in future because of its enormous potential importance for Britain economically and for the world, environmentally.

Question put and agreed to.

5.2 pm

Sitting adjourned.